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MAG FINANCIAL MISCONDUCT AND CRIME POLICY

1. POLICY STATEMENT

Acts of financial misconduct and crime threaten funds donated to MAG which are intended to save lives and help build safer futures for MAG’s beneficiaries. MAG is committed to the highest ethical standards and has zero tolerance of financial misconduct, financial crime and all other forms of criminality.

2. SCOPE

MAG’s Financial Misconduct Policy (“**Policy**”) sets out MAG’s mandatory requirements to prevent, deter, detect, report and investigate financial misconduct and acts of criminality.

This Policy applies to MAG’s trustees, employees, contractors, consultants and partner organisations acting on MAG’s behalf, interns and volunteers, and accompanying partners and family members of international staff (collectively “**MAG Staff and Associates**”).

The MAG Financial Misconduct and Crime Policy Handbook (“**Handbook**”) provides the procedures supporting the application of this Policy. Part A of the Handbook provides guidance for all MAG Staff and Associates on raising concerns about financial misconduct or crime. Part B of the Handbook describes MAG’s required procedures for the conduct of financial misconduct and crime investigations.

3. DEFINITIONS

Financial misconduct

Non-conformance with MAG’s ethical standards and internal financial policies, controls and procedures, whereby such behaviour would risk the loss, misappropriation or misreporting of MAG’s and donors’ assets and funds.

Conflicts of interest can also lead to financial misconduct.

Financial crime

Acts which break national or international laws and regulations and involve intentional illegal and dishonest activities to misappropriate, redirect and / or wrongfully gain assets and funds. Illegal acts which constitute financial crime are:

- theft, embezzlement, extortion;
- fraud, false accounting, forgery;
- bribery, corruption and money-laundering;
- terrorist financing and violation of economic sanctions;
- tax evasion.

Further explanations of the above financial crimes are provided in the Financial Misconduct and Crime Policy Handbook.

4. REQUIREMENTS

MAG Staff and Associates shall:

- protect MAG’s and its donors’ funds, property and assets, acting appropriately to ensure that they are not misappropriated, misdirected, lost, misused or damaged;

- ensure that all financial transactions are properly authorised, recorded, reported and archived as required by MAG’s financial framework and relevant laws, regulations and donor requirements;
- abide by all relevant laws against financial crime;
- report immediately any suspicion of financial misconduct, crime or non-compliance with this Policy, following the guidance in the Handbook and MAG’s *Reporting Malpractice & Raising Concerns (“Whistleblowing”) Policy and Procedure*;
- complete all MAG required training for the prevention of financial misconduct and crime.

MAG’s management shall:

- investigate all suspicions of financial misconduct and financial crime in accordance with the Handbook’s procedures;
- reserve the right to search all MAG property and review all data stored on MAG systems if there are reasonable suspicions of financial misconduct or crime;
- report suspicions of financial crime and misconduct to MAG’s Audit and Finance Committee, MAG’s Board, its donors, the UK Charity Commission and national authorities when required;
- inform and work collaboratively with local and / or international law enforcement bodies in relation to any related investigations and prosecutions;
- take proportionate action against those who commit financial misconduct or crime, up to and including dismissal of MAG Staff and Associates and termination of contracts with partners and third parties;
- seek to recover any losses wherever viable.

5. REFERENCES

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| • MAG Policy on Personal Conduct | • MAG Sanctions Policy |
| • MAG Procurement Policy | • MAG Conflicts of Interest Policy |
| • Reporting Malpractice & Raising Concerns (“Whistleblowing”) Policy and Procedure | • MAG Finance Framework and Finance Policies |

6. APPROVAL AND DATES

Approved by MAG’s Board of Trustees on 29 January 2021.

This policy shall be reviewed every three years by MAG’s Leadership Team.

7. POLICY OWNER

Director of Finance