



The Salvation Army Hong Kong and Macau Command

Fraud and Theft Policy

Scope of Policy

Salvation Army personnel¹ must comply with applicable city and national laws and Salvation Army policies. As a Christian organisation who values integrity and honesty and as a recipient of public funding, The Salvation Army has a fiduciary responsibility to conserve, preserve, and efficiently use all of its resources. Therefore any form of theft will not be tolerated. Theft is defined as stealing, use or misuse of The Salvation Army's assets without permission (inclusive of but not limited to money, time, supplies, merchandise, company property and information).

This policy applies to any known or suspected fraud or theft.

Prevention and Detection of Fraud and Theft

Salvation Army personnel shall not perpetrate, engage in, or otherwise facilitate the act of committing fraud and theft.²

The Command Governance Council of The Salvation Army Hong Kong and Macau Command is responsible for establishing the controls to prevent and detect fraud and theft. Heads of department are responsible for knowing the types of improprieties that might occur within their areas of responsibility and for identifying and assessing any irregularities. Salvation Army personnel are responsible for the prevention and detection of fraud and theft that might occur within the scope of their work assignments and for reporting any known or suspected fraud and theft.

Reporting Known or Suspected Fraud and Theft

Personnel are responsible for immediately reporting known or suspected incidents of fraud, including

¹ Personnel – Salvation Army officers, contracted, permanent, temporary and seasonal individuals, non-compensated officers, former employees and board members acting as consultants, those on retainer and volunteers.

² Money (cash, hard copy and electronic transactions), time (when personnel are remunerated for time that is not worked. Includes falsification of time keeping records or when personnel are not working while on the job), supplies, merchandise and/or property (theft of products that are to be sold), information (use or misuse of confidential documents).



theft and misappropriation of Salvation Army assets. Evidence concerning such activities will be turned over to the appropriate authorities.

Anyone who has knowledge of fraud or theft of Salvation Army assets by any person or organisation, including another person, and does not report it may be subject to disciplinary action, up to and including termination of employment and summary dismissal.

FRAUD & THEFT REPORTING PROCEDURES

I. OBJECTIVE

Establishment of this procedure is to set out a protocol for handling acts pertaining to the use of official duties for personal gain through deliberate misuse or misapplication of physical and financial resources of the Army. This includes but not limited to theft, fraud or embezzlement.

II. PRINCIPLES

1. Misappropriation behaviors are not tolerated.
2. All allegations of theft, fraud or embezzlement will be handled fairly and thoroughly.
3. All matters related to the case shall remain strictly confidential with all written information kept secure.
4. Any personnel identified as involved in fraudulent or dishonest activity will be dealt with consistently and fairly under the Army's disciplinary procedures.
5. Fraudulent activity will be reported to relevant law enforcement agencies.

III. PROCEDURES*

1. Immediate Response
 - 1.1 Any informant will immediately inform direct supervisor or at higher position of any improper or fraudulent actions by any personnel, and will not attempt to personally conduct enquiry.
 - 1.2 Upon receipt of allegations or suspicious of misappropriation, the supervisor will inform his/her superior on the same day.
 - 1.3 When there is evidence of misappropriation, the superior will report to the head of department who will inform the respective Cabinet Secretary and Leaders, and upon consent, proceed to report to the police within 48 hours.



- 1.4 A joint meeting with the respective head of department and Cabinet Secretary will be convened to discuss follow-up plan with responsibilities assigned (e.g. who will report to Leadership, the person handling media, and the necessity to involve Internal Audit etc.).
 - 1.5 In case of the necessity for suspension of the alleged staff from workplace immediately to minimize the risk of further losses while pending for further action, recommendations will be made by the head of department in consultation with Group HR Director, and any suspension from employment is required to report to Human Resources Board.
2. Actions to follow
 - 2.1 Cases with evidence of theft, fraud or embezzlement will be reported to the Command Governance Council.
 - 2.2 The head of department or an assigned person will coordinate all investigations with legal advice, relevant law enforcement agencies, and other affected parties, both internal and external, including set-up of an enquiry team in consultation with the respective Cabinet Secretary and Leadership and Group HR Director as necessary.
 - 2.3 It is essential to take the steps for collecting full facts and records with extreme confidentiality that may involve internal audit, checking on computer data, review records of staff activities, cross examination with suspected staff and relevant witnesses and so on.
 - 2.4 Legal advice may be sought by Leadership.
3. Return of Money or Goods
 - 3.1 If personnel plead guilty and request to return the stolen money or goods, it shall be reported to the Command Governance Council.
4. Internal Disciplinary Action
 - 4.1 Any personnel found engaging in such misappropriation activities is subject to disciplinary measures, including but not limited to termination of their employment and summary dismissal.
 - 4.2 Decisions on summary dismissal, and termination of employment must be endorsed by Human Resources Board and approved by Command Governance Council.
5. Review
 - 5.1 To avoid reoccurrence of theft, fraudulent or embezzlement cases, an overall review on the internal controls, corrective measures, staff re-orientation or supervision will be conducted afterwards.



IV. This policy has been translated into Chinese. If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall apply and prevail.

* Specific procedures relating to certain departments may also be found in their Operation Manuals.

Origination Date	11-09-2018
Date Effective From	11-09-2018