Crisis Management Plan: Misuse of funds

In this context, “misuse of funds” relates to embezzlement or theft of WCK funds/assets by an employee, volunteer, or Board member.

How we would know it is at a point of crisis

If we discover/are made aware, and have confirmation, that someone has been stealing from WCK. The amount (or value) taken will affect how we respond, but any act of theft warrants a crisis response.

Who is WCK’s spokesperson for this crisis?

[redacted]

[redacted]

If they are unavailable:

[redacted]

[redacted]

What/who are the immediate priorities?

- Protect WCK finances – ensure the theft has been stopped.
- Remove the person from WCK in whatever capacity they serve, using the appropriate HR/governance processes.
- Understand how anyone who’s impacted is feeling and what they need. Reach out to them and make time to hear them.

Vital tasks

Executive Director (ED) to ensure a written record is kept of the actions taken – and timeline – to address the crisis.

- Information gathering by ED, Board Chair, Board Treasurer (see Appendix 1 for checklist to use)
- Assign roles (Appendix 2).
- ED and Board Chair meet and decide:

  - The level of communication response appropriate to the situation
  - Whether to engage the services of outside counsel/a third party to conduct a thorough, fair, and prompt investigation
  - How to engage with the person/people involved in the misconduct
  - Any required immediate changes to banking/other access

  Outside counsel could help to determine if a referral to law enforcement is required. A third party could advise on the legal rights of an employee or volunteer and how they should be apprised of the allegations and given opportunities to respond.

- ED and Board Chair engage the crisis management team to carry out the crisis response.
- Begin the investigation as soon as possible.
- ED and Board Treasurer conduct a review of how the offense was possible – correct any systems and methods of oversight as needed, as a matter of urgency.

Who needs to be notified?

Who	Who within that group?	Who will notify them?	How?	What will they be told?
Staff team	Everyone	Executive Director	Phone call/video call/in person (whichever is soonest) Updates on Slack/email	• Need-to-know information about what we know happened and what we are doing (limited by any legal/privacy requirements) • Not to comment publicly • Not to discuss it with the person involved • We're here to listen – how to make contact and

				who to contact • Anything they need to do in the interim that is different from normal • Any information they must preserve (emails, files, receipts etc.)
Board	Everyone	Board Chair	Phone call/video call/in person (whichever is soonest) Updates via email	• Need-to-know information about what we know happened and what we are doing (limited by any legal/privacy requirements) • Decisions the Board needs to make at this point, and how the decision making will be done (asynchronous? Urgent meeting?) • Not to comment publicly • Not to discuss it with the person involved • We’re here to listen – how to make contact and who to contact • Anything they need to do in the interim that is different from normal • Any information they must preserve (emails, files, receipts etc.)
Volunteers	If they are closely involved with the person and will be	Executive Director	Video message/email If a small	• Need-to-know information about what we know happened and

	confused by their absence If the program they are involved in is significantly impacted by the misconduct/their role will be affected If the situation has been made public/many rumours are circulating		number of volunteers are affected: phone call/video call	what we are doing (limited by any legal/privacy requirements) ● Not to comment publicly ● Not to discuss it with the person involved ● We're here to listen – how to make contact and who to contact ● Anything that might change about the program/their role in the interim ● How we plan to keep them updated
Partners/Donors	If they support a program that has been significantly impacted by the misconduct If the situation has been made public If they reach out to us about it	Executive Director	Phone call, email, or video message	● Need-to-know information about what we know happened and what we are doing (limited by any legal/privacy requirements) ● The likely impact it will have ● How we have recovered, or will work to recover, stolen assets ● We're here to listen – how to make contact and who to contact ● How we plan to keep them updated
Media	We receive media enquiries about it The situation is highly publicly	Appointed Spokesperson	Prepared statement/press release Possibly by interview	● Prepared statement/talking points on what we have established and what we are doing to address

	visible			the misconduct & recover funds ● Our biggest concern is for those impacted (most importantly families who could be impacted by disruption to programs)

How we will provide opportunities to listen and continue two-way communication

Offer an obvious avenue for people to be in touch in our communication to them, and our contact details for each avenue (name of contact, email, phone number etc.)

Sample holding statement/s

General template:

- This is what we know happened (without breaking confidentiality):
- This is what we're doing/have already done:
- We're here to listen to any worries you have.This is who we're thinking of right now.
- Here's how to get in touch with us:

Other ideas/notes to consider:

We need to be aware of the potential for defamation in this situation. We will not make public accusations against people.

"On <XXX date>, we discovered/were made aware of possible misuse of WCK funds (add detail only as required to show we acknowledge the specific situation). As soon as we knew of the alleged misconduct, we started an investigation to get the facts. It's most important to us that this investigation is thorough and fair, so we are engaging the services of XXX to make sure we get this right."

"We know you/people might be feeling confused, hurt, shocked, and worried for everyone involved. To find the answers we all need, we have done XXX. However you're feeling, we're here to hear you and reassure you. This is an unsettling experience for our community, who we love so deeply. We can and will resolve it. Our priority is to continue to show up for families at the most critical time in their lives, and we will do everything in our power to make that possible."

“As we work hard to establish the facts, we’re thinking of those who have been affected by this, most importantly the families who we serve through our programming. We will do whatever we can to recover the funds and make sure the money is spent where it was always meant to be.”

How we mitigated the risk

- Regular financial reconciliation process
- Oversight from Finance Committee and bookkeeper
- Minimal cash donations
- Limited access to bank account
- CRCs and screening for Board members

These can be drawn upon in prepared statements.

When is a public response required?

- If enough people are talking about it
- If we are informed that it is going to be reported in the media
- If it jeopardizes our ability to run programs
- If it is impacting on WCK’s reputation

These require professional judgment and should be agreed upon by the ED and Board Chair.

A public response may involve engaging with media, posting on our social media platforms, and/or posting on our website.

Who is in the crisis management team?

- Executive Director
- Board Chair
- Board Treasurer
- Marketing & Communications Manager

See appendix 2 for division of roles

Appendix 1: Information Gathering

Throughout the information gathering process and beyond, it is vital that those leading the crisis response always try to act in the best interest of the organization over and above the people involved or the varying wishes of stakeholders.

Question	
What do we know so far?	
What can we confirm/prove has actually happened?	
What facts are we missing?	
How much money has been taken? (Or what is the value of the assets taken?)	
Is this going to disrupt our ability to run programming?	
Who did it/is alleged to have done it?	
Who else might have been involved, or known something?	
Do we need to change logins/access to any accounts or software?	
Who do we need to speak to in order to establish the facts?	
Which records might we need to look at as part of the investigation? (Receipts, emails, files, databases, Slack messages etc.)	
How were they able to do it?	
Which processes/systems do we need to review to make sure it can't happen again?	

What are we going to tell the person who is alleged to have done it? (The detail of the allegation)	
How will we invite a response from them?	
How will we have this discussion with them, and how will it be recorded/evidenced?	
Which program/s are affected?	
Do we need to immediately halt any programming or operational tasks?	
Can we find anything online about this situation? (Has it already gone public?)	
Can we conduct this investigation ourselves, or are we too closely tied to the person or emotionally impacted by it?	
Who can we outsource to assist with the investigation and/or procedures relating to employee rights?	
Do we need to involve law enforcement? If we're unsure, who can guide us on this?	
What might we need to do to recover the funds/assets?	

Appendix 2

Role	**Who**
Fielding emails and phone calls	
Monitoring social media for messages and mentions	
Preparing media statements	
Preparing press release	
Point of contact for staff	
Point of contact for volunteers	
Point of contact for Board members	
Point of contact for Partners	
Point of contact for Donors	
Contact for person/people involved in the misconduct	