
**POLICY PROHIBITING AND COMBATTING FRAUD AND
CORRUPTION**

February 2023

III. POLICY PROHIBITING AND CAMBATTING FRAUD AND CORRUPTION

Section 1

Preliminary Provisions

General Introduction

This Statement of The Foundation’s Policy Prohibiting and Combatting Fraud and Corruption affirms its zero tolerance for all forms of fraud and corruption, and outlines the steps to be taken in response to good faith reports of possible fraud.

Applicability

Staff and Non-Staff Personnel

1.1. All staff members and non-staff personnel are required to comply with this Policy.

(a) A “staff member” is any person holding a Letter of Appointment to The Foundation signed under the authority of the Executive Director.

(b) “Non-Staff Personnel” includes any person who is working with The Foundation as a volunteer community worker or consultant or resident contractor.

Vendors (including Consultants, Volunteer Community Works)

1.2. The Foundation Individual consultants and contractors are expected to maintain the highest standard of conduct in connection with their mutual engagement. A commitment to the highest ethical standards is a major consideration in the selection of individual consultants and contractors at The Foundation.

1.3. The Foundation vendors (including Consultants, Volunteer Community Works) and partner implementing contractors are expected to adopt and enforce robust policies combatting fraud and corruption. Those policies are expected to be stringent than this policy.

Section 2

Definitions

2.1 In this Policy, “fraud” means the actual or attempted use of deceit, falsehood, or dishonest means (including willful omission) to secure direct or indirect financial or material gain, personal advantage or other benefit, and includes fraudulent conduct, corrupt conduct, coercive conduct, and obstructionist conduct (as defined below). It includes attempted fraud (even if unsuccessful).

- (a) “Fraudulent conduct” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation;
- (b) “Corrupt conduct” is the offering, giving, receiving, or soliciting (in each case, directly or indirectly) anything of value in order to influence improperly the actions of another party;
- (c) “Collusive conduct”, is the proposing or entering into an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of the other party;
- (d) “Coercive conduct” is the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party in order to influence the actions of that party or another; and
- (e) “Obstructive conduct” is:
 - i) any act which deliberately and in an effort to compromise an investigation, destroys, falsifies, alters or conceals information or documents that may be relevant to a fraud and corruption investigation, or material that could become evidence as a result of such investigation; or
 - ii) the making of false statement to investigators during such investigation.

Section 3

Policy against Fraud

The Foundation Staff and Non-Staff Personnel are not to engage in Fraud

- (a) Fraud against The Foundation will constitute misconduct and will be grounds for dismissal.

It may lead to actions to recover losses sustained by The Foundation as a result of such fraud (including referral to law enforcement authorities).

- (b) Fraud against others will also constitute misconduct and will also be grounds for dismissal.

3.2. The Foundation vendors (including individual consultants and contractors, and institutional consultant) or civil society in partnership with The Foundation are not to engage in fraud.

- (a) Fraud against The Foundation will constitute grounds for termination of the relationship. It may lead to actions to recover losses sustained by The Foundation as a result of such fraud (including referral to law enforcement authorities). The Foundation will maintain a list of vendors (including individual consultants and contractors, and institutional consultants) for fraud and will make this list available to its donors.
- (b) Fraud against others may disqualify such vendors (including individual consultants and contractors, and institutional consultants) from further engagement with The Foundation.

- (c) The Foundation will investigate all credible allegations of fraud. Where fraud is established it will determine the appropriate steps to take in response, including possible dismissal or sanctioning of staff or non-staff personnel, exercising termination and other contractual rights against external parties, and recovery of losses. Through established internal procedures, will refer cases to law enforcement authorities where it determines a referral is appropriate.

Section 4

Reporting Procedures and Subsequent Actions

Reporting

- 4.1 The Foundation Staff and Non-Staff Personnel are required to report all reasonable suspicions of fraud to the Executive Director as soon as possible.
- 4.2 Vendors (including Consultants, Volunteer Community Works) and partner implementing contractors are required to report good faith suspicion of fraud involving The Foundation to the Executive Director as soon as possible.
- 4.3 Reports to the Executive Director can be made in any of the following ways depending on who is making the report (a) to the Head of the relevant head of Project or Programme.
- 4.4 Reports must be made in good faith. Making false or malicious allegation is not permitted or protected, and may result in disciplinary action (in the case of staff), or termination of contract for cause (in all other cases)
- 4.5 Reports can be made anonymously, though anonymous reports that lack specific details will be reviewed but may not be pursued further after that if the report does not include sufficient supporting material.

Protection of “Whistle blowers” against Retaliation

- 4.6 To encourage reporting of fraud, there will be a policy protecting “whistle blowers” to ensure that those reporting good faith suspicions of fraud involving The Foundation are not penalized or retaliated against for doing so. It expects its institutional consultants and contractors, suppliers and vendors to have similar appropriate “Whistle blower” policies in place.

Investigations of Possible Fraud

- 4.7 The Director and the **Ethics Committee** will determine whether reports of fraud are frivolous or non-frivolous.
- 4.8 Non-frivolous allegations either (a) that staff members or non-staff personnel has engaged in fraud, or (b) of fraud involving The Foundation, will be investigated under the authority and supervision of the Director, a member of the Ethics Committee, appointed by the Executive Director in accordance with the standard investigation protocols of the committee. The

Committee may also initiate an investigation of possible fraud on its own determination, including as a result of an internal audit exercise.

- 4.9 All staff members and non-staff personnel, individual consultants and contractors are required to cooperate fully with investigations by The Foundation. Vendors and other partners are required to ensure their personnel and agents (including attorneys, accountants, and advisers) also cooperate fully with such investigations.

Follow-up Action

- 4.10 The Foundation will take appropriate action, in the circumstances of each case, where it determines that a staff member or non-staff personnel has engaged in fraud, and determines there has been fraud. Actions can include dismissal or termination of relationship with The Foundation and reasonable efforts to recover financial losses by way of (for example) internal administrative proceedings, and contractual claims for recovery.

Section 5

Disclosure; Confidentiality; Public Statements

- 5.1 Fraud cases investigated will be reported to the Board of Directors Meeting.
- 5.2 The report of The Foundation's investigation of such report of fraud is a confidential document; neither the report, nor summary of the report, will be disclosed other than to law enforcement in the case of any referral to law enforcement.
- 5.3 The Foundation may decide to make public disclosure of the fact that it has received reports indicating it may have been the victim of fraud and of the status of any response to such reports.
- 5.4 All disclosure relating to reports that The Foundation may have been the victim of fraud and the status of its response will be made in accordance with the following principles:
- a). In order to ensure the probity of any investigation of possible fraud, to maximize the prospect of recovery of funds, and to respect the due process rights of all involved, information relating to reports of fraud and investigation and handling of such reports of fraud and investigation and handling of such reports is to be treated confidentially and with utmost discretion even within The Foundation.
 - b). All disclosure of information will be subject to the Information Disclosure Policy and relevant decisions of the Board of Directors.

Section 6

Final Provisions

- 6.1 This Policy of The Foundation enters into force on the date of its issuance.
- 6.2 The implementation of this Policy will be subject to any relevant decisions of the Board Directors

(Signed)

Executive Director