

## Anti-Fraud and Anti-Corruption Policy

*Approved by management 12 November 2010*

### Introduction

To ensure that International Child Development Initiatives (referred to in this policy statement as “ICDI”) continues to have high standards of accountability, it is important that clear guidance is given to employees and volunteers on how fraud and suspected fraud is to be dealt with.

This policy statement sets out the responsibilities of staff and volunteers in the event of fraud or corruption.

ICDI has a zero tolerance to fraud and corruption and requires staff and volunteers at all times to act honestly and with integrity and to safeguard the assets for which they are responsible. Fraud and corruption are an ever-present threat to ICDI’s assets and reputation and so must be a concern of all members of staff and volunteers.

The principles and definitions in this policy also extend to relationships ICDI has with external organizations (including, without limitation, implementing partners, contractors and donors).

### What is Fraud and Corruption?

The term fraud is used to describe a whole range of activities such as deception, bribery, forgery, extortion, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. It involves the act of deceit of the organization in order to obtain a personal or collective advantage, avoid an obligation or cause loss. Corruption involves the act of dishonestly obtaining an advantage from a third party by abusing an entrusted power for private gain. Neither fraud nor corruption are restricted to monetary or material benefit, but could also include intangible benefits such as status or information.

### Related Policies and Procedures

This policy should be read in conjunction with the following documents:



- ICDI child protection policy
- ICDI's code of ethics

ICDI takes the most serious view of any attempt to commit an act of fraud or corruption by members of staff, volunteers, partner organizations, contractors, their employees and agents acting on behalf of ICDI. Employees and volunteers involved in fraud and corruption of any kind will be subjected to disciplinary action within the organization and may be reported to external authorities for criminal prosecution, if appropriate. ICDI treats an attempted act of fraud or corruption as seriously as an accomplished act.

### **Responsibilities**

ICDI is committed to preventing fraud and corruption from occurring and developing an anti-fraud and anti-corruption culture. To achieve this, ICDI will:

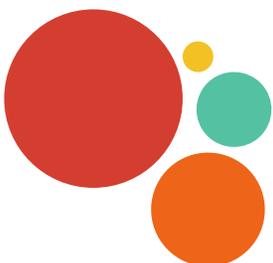
- Develop and maintain effective controls to prevent fraud and corruption;
- Ensure that if fraud occurs, a vigorous and prompt investigation takes place;
- Take appropriate disciplinary and legal action in all cases, where justified and;
- Review systems and procedures to prevent similar frauds.

Fraud and Corruption cases must be reported to the Director, who takes appropriate action and informs the Board. The HR/Admin Manager is available to offer advice and assistance on control issues and staff members and volunteers are encouraged to make use of this service.

### **Staff and volunteers' responsibilities**

All staff and volunteers are responsible for:

- Acting with propriety in the use ICDI's assets resources;
- Alerting the Director where they believe the opportunity for fraud or corruption exists;
- Reporting details immediately to the Director of
  - a) any suspected or actual fraud or corruption;
  - b) any suspicious acts or events which might give rise to a suspicion of fraud or corruption;
- If for any reason a member of staff does not feel able to report a suspected fraud or corruption to the Director, the Board should be informed. Staff and volunteers should refer to the Responsible Authority and Court for guidance where they do not feel able to



report suspected fraud or corruption to anybody within the organization (including the Board), or when they are not satisfied with how their report on the (suspected) fraud has been handled by the organization;

- Assist in any investigations by making available all relevant information and by cooperating in interviews.

The HR/Admin Manager is responsible for:

- Establishing the internal control system designed to counter the risk of fraud and corruption and ensuring the adequacy and effectiveness of this system;
- Ensuring that there are arrangements in place for investigation of all suspected and alleged fraud or corruption;
- Maintaining a fraud and corruption register;

The Director is responsible for:

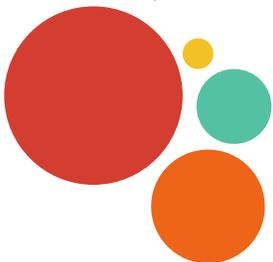
- Ensuring that the risk of fraud has been properly identified and assessed;
- Internal control has been properly designed to address the risk of fraud and that they are working effectively ;
- Carrying out investigations of suspected or alleged fraud and corruption where there is a significant risk to ICDI's reputation.
- Taking any action necessary to stop or prevent fraud and corruption;

The board of ICDI is responsible for:

- Ensuring that the risk of fraud has been properly identified and assessed by management;
- Internal control has been properly designed to address the risk of fraud and that they are working effectively;
- Carrying out investigations of suspected or alleged fraud and corruption where there is a significant risk to ICDI's reputation;
- Taking any action necessary to stop or prevent fraud and corruption.

### **Anti-fraud and anti-corruption policy with regard to ICDI partner organizations (including contractors, consultants or anybody else with whom ICDI has a relationship)**

Partner organizations of ICDI will be required to sign of on ICDI's Anti-Corruption and Anti-Fraud policy. If ICDI staff or volunteers become aware of any wrong doing by (staff) of partner organizations with respect to fraud and corruption, they should report this to ICDI's Director.



ICDI's Director will then confront his/her counterpart of the partner organization, and ask explanations and swift actions where necessary. If the partner organization is unwilling or unable to satisfy ICDI's demands, ICDI will disengage from the partnership. ICDI will then also inform its finding to the appropriate authorities in the country.

*This Anti-Fraud and Anti-Corruption Policy is integral part of the Human Resources Manual of ICDI. Each staff member, board member and volunteer is expected to have read and understood this Anti-Fraud and Anti-Corruption Policy.*

