



FRAUD POLICY

(Including financial malpractice & other serious incidents)

(MANEPO)

Title	Fraud (including financial malpractice & other serious Incidents)
Document type	Policy
Applies to	All officers
SOP point of contact	HR and Administration Manager
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1. Policy statement

Fraud is an ever-present threat to the assets, resources and reputation of MANEPO. It has the potential to undermine the achievement of the aims and objectives of the organisation.

Consequently, it must be of concern to all members of staff.

Fraud is a criminal offence.

It is MANEPO's policy to combat all fraud and foster a culture in which all forms of fraud and corruption are unacceptable.

2. What is fraud?

- Fraud is an act of deception intended for personal gain or to cause a loss to another party.
- Fraud is a criminal offence. Examples include: collusion; deception; embezzlement; false representation; forgery; misappropriation and theft.
- Fraud is an act that is wilfully or knowingly perpetrated.
- Fraud does not have to result in a loss, financial or otherwise, for an offence to occur. It includes situations where MANEPO could realistically believe that it might suffer or planned acts which would have resulted in a fraud had they not been discovered in advance.
- Fraud committed by employees is likely to be classified as gross misconduct and as such is a dismissible offence.

3. Scope of policy

- This policy applies to all fraudulent activity by persons working for or on behalf of MANEPO, purporting to work on behalf of MANEPO, or in any other way directly related to the operations of MANEPO. It includes frauds committed by MANEPO and against MANEPO.
- This policy applies to all staff, trustees, volunteers, interns, contracted consultants, affiliates and partners for any activities they undertake, or purport to undertake, for or on behalf of MANEPO, as well as beneficiaries in any relationship that they have with MANEPO.
- Fraudulent activity committed by any of the above persons outside of working for or on behalf of MANEPO does not fall directly within the scope of the policy, e.g. fraud by an

employee against a third party or fraud by a partner organisation against another donor. However, MANEPO reserves the right to take appropriate action as it deems necessary based on the potential impact to the reputation of MANEPO and/or and any loss of trust, e.g. the termination of relationships, reporting the matter to any relevant donor and/or to the police.

4. Policy overview

It is MANEPO's policy to combat all fraud and foster a culture in which all forms of fraud and corruption are unacceptable.

The key principles underlying MANEPO's approach to fraud are to:

- Encourage a culture of awareness and have measures in place to recognise and minimise the risk of fraud;
- Have procedures in place for the prevention, detection, investigation, reporting and management of fraud;
- Co-operate fully when an investigation of fraud is carried out;
- Make available confidential and appropriate reporting mechanisms so that anyone, in good faith, can report genuine concerns;
- Protect those who in good faith report instances of suspected fraud;
- Investigate with appropriate urgency cases of suspected fraud in accordance with MANEPO's procedures and, fully respecting the principles of due process and natural justice, pursue perpetrators to the fullest extent of the law;
- Maintain the principles of confidentiality in any reporting or investigation of fraud;
- Maintain a log of suspected and actual frauds;
- Report frauds to the police, and donors as appropriate;
- Learn from any occurrence of fraud to prevent it being repeated.

5. Reporting fraud

- **Initial reporting of suspicions:** Any person who has reason to suspect that a fraud is being perpetrated should immediately, or at least within 24 hours, inform their line manager and/or Finance Officer and/or Executive Director (see also 'whistleblowing' below). If the initial discussion does not include the Executive Director, he/she should be informed within the next 24 hours.
- **Internal reporting:** All instances of suspected fraud or financial malpractice must be reported to the Executive Director. Communication within 24 hours is strongly encouraged, but must be within 7 days at the latest, ideally using the fraud report form.
- **Reporting to the Police:** The Executive Director may report the matter to the police
- **Fraud report form:** A Fraud Report form is available which is not mandatory but is encouraged to be used for internal reporting. In all cases as much information as possible should be reported within 7 days; the Fraud Report form can be used as guide. In many cases, the form will also be suitable for providing subsequent updates.
- **Whistleblowing:** If anyone is uncomfortable with reporting directly as suggested, they may

6. Investigating fraud

- All frauds and suspected frauds should be investigated unless there is good reason not to do it is recognised that the appropriate nature, timescales and staff time required for investigations will vary (for example from a few hours to a few days).
- Within MANEPO, the only persons with authority to instigate a fraud investigation, or decide that an investigation is not necessary are:
 - Executive Director, (or persons specifically delegated to deputise in his absence).
 - The Serious Incident Reporting Officer (HR and Administration Manager);
- Before reporting their concerns, staff members who suspect a fraud are only requested to gather initial information and evidences that they routinely have available to them in the course of their work and when it is safe and practical to do so. This stage is not an investigation and if in doubt the concern should be reported without gathering initial information. It is essential that confidentiality is maintained throughout.
- A '**lead officer**' should be appointed by the Executive Director for all investigations to co-ordinate the work and to provide progress updates at suitable intervals and at the conclusion.
- All staff members who are requested to participate in an investigation in any way are required to maintain principles of professionalism, integrity and confidentiality. This

includes persons leading an investigation or providing information as part of an investigation.

- Investigations shall be undertaken without prejudice and in accordance with MANEPO HR and other relevant policies and procedures.

7. Fraud register

- The Executive Director is required to maintain documentary evidence of all frauds and suspected frauds arising. It is recommended that a fraud register is used to assist in this responsibility
- The central fraud register provides details of suspected and actual frauds discovered, including subsequent actions and resolution. Updates for the fraud register should be notified by the 'lead officer' at the appropriate intervals and at the conclusion of an investigation.
- The fraud register is a confidential document which will be held securely. However, certain aspects may be shared as appropriate with the police.

8. Protection for staff

- MANEPO will protect its staff from any negative personal consequences arising from the reporting (in good faith) of any fraud, suspected fraud or policy violation.

9. Policy violation

- All staff have a responsibility to immediately, or at least within 24 hours, report any breaches of this policy, either through the established reporting mechanism or, if not appropriate. Alternatively, the MANEPO Whistleblowing Policy can be used.
- All suspected breaches of the policy will be thoroughly investigated and treated with the utmost confidentiality
- Where there is evidence of a fraud having been perpetrated, MANEPO will take whatever steps are appropriate which may include referring the matter to the police.

10. Queries relating to the Fraud Policy:

Should any staff member wish further information, clarification or support in the implementation of this policy, they should contact:

- their line manager, finance manager; or
- Executive Director

How to raise FRAUD concerns – A Simple Framework for Action

If you suspect fraudulent activity or any other form of financial malpractice:

e.g. committed
staff member or
volunteer etc.

Committed **BY** MANEPO
or **AGAINST** MANEPO

e.g. committed by a
partner, supplier, or
other external body

It is important that concerns are reported **at the earliest opportunity** in order to:

- Stop them from occurring or re-occurring, and
- Make investigations easier; and
- Enable donors & other external bodies to be advised (this is a contractual responsibility and essential in order to maintain good relations)

It is **NOT your responsibility** to investigate or be certain that a fraud has actually been committed.

Discuss your concerns immediately, at least within 24 hours, with:
Appropriate staff/Executive Director

If the initial discussion does not include the Executive Director they should be informed within the next 24 hours

(The Fraud Report Form may provide some useful prompts for what you should discuss)

If the Executive **Director decides** that there are reasonable grounds for suspecting a fraud or any form of financial malpractice they should, in accordance with the Fraud Policy and supporting guidance:

- Arrange for the **Fraud Report Form** to be completed
- Decide how the matter should be reported up the **management line**; and
- Decide how the matter should be **investigated**

If you **disagree** with the decision of your Executive Director you may, without fear of being criticised, refer the matter to the board

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