

Anti-Corruption/Fraud Policy

Purpose: Centre For Social Research(CSR) has commitment and compliance to high legal and ethical standards. All members of staff, as well as consultants, contractors, partner organisations and any other party with a financial or fiduciary relationship with CSR are expected to share this commitment. The purpose of this statement is to set out the policy of CSR towards the prevention and detection of fraud and the procedures to be followed if fraud is detected or suspected.

Policy: Fraud of any type represents a threat to the credibility of CSR and to the funds for which it is responsible. CSR is, therefore, committed to the prevention/elimination of any fraud within the organisation and its partners, and to the thorough investigation of any such cases.

CSR has established an anti fraud policy to enforce controls and to aid in the prevention and detection of fraud, against itself. This policy applies to any fraud or suspected fraud, abuse involving an employee (including management), a consultant, vendor, and contractor, outside agency, partners or person doing any contract/transaction or in any other relationship with CSR.

The policy of CSR is to promote awareness among staff of the risk of fraud, to establish and maintain controls aimed at preventing and detecting fraud, and to take effective action whenever fraud is discovered or suspected.

CSR considers it the duty of all employees to act honestly and with integrity at all times, and to report any suspected irregularity immediately. Therefore, it is also CSR's policy, which will be rigorously enforced, that no employee will suffer in any way as a result of reporting reasonably held suspicions.

Failure to comply with this policy subjects an employee (including management) to disciplinary action, including immediate termination. Failure to comply with by a consultant, vendor, contractor, outside agency, partners or person doing business with CSR or in any other relationship with CSR could result in cancellation of the contract/transaction or other relationship between the entity and CSR.

Definition: In the public and charitable sector, the term fraud is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, misappropriation and concealment of material facts. For practical purposes, fraud may be defined as the use of deliberate deception with the intention of obtaining an unjust or illegal financial gain or other unfair advantage.

Fraud and Embezzlement: Fraud and embezzlement are illegal and must not be used as methods to gain personal or professional advantages or property in relation to CSR including partner organisations and related stakeholders.

Fraud is defined as economic crime involving deceit, trickery or false pretences, by which someone gains advantage or funds unlawfully. Embezzlement is defined as the misappropriation of property or funds legally entrusted to someone in their formal position as an agent or guardian. Examples of fraud and embezzlement are false certificates, documentation, lying about qualifications and abusing power/knowledge to steal cash and equipment from the office, or misusing funds entrusted to us

The rules of CSR and of our donors' for accounting and documentation shall therefore be applied to, at all times. For example, approval of payments has to follow the instructions in the "Finance and Accounts Manual including Standard Operating Procedures for CSR projects" and subject to approval of programmes and projects has to follow the CSR "Programme and Project Rules/Manual". All involved parties are expected to show honesty and not to abuse their positions for their own gain.

Fraud is usually perpetuated in the following forms:

- Financial fraud by employee (including management), a consultant, vendor, contractor, outside agency, partners or person doing business with CSR or in any other relationship with CSR in the form of:
 - Money being misused or misspent
 - Wrongly represented expenses
 - Misuse of financial authority
 - Fraud during bank transactions, while writing cheques, etc.
 - Fraud by external sources
- Fraud related to Human Resource, Partnerships
- Misrepresentation of expertise/impostor

Fraud related to work:

- False/Faulty reporting – Not doing some work while reporting the same as having been done or under process
- Actions that would damage the image of the organisation – Financial or otherwise
- Use of data, sharing of official information document without approval
- Publishing work done at CSR for personal gain
- Saying something, doing something else (Misrepresentation of work)
- Abuse of power and extortion

CSR will not seek to influence any person or institution for private purpose by using its official position or offering them personal advantage. Likewise, CSR will not use its property, facilities, services and financial resources for private purposes except when permission is given. It will not use any form of extortion as a method to gain advantage

The principle implies that you should not use your professional status in CSR or in a partner organisation for private gain. An example could be abusing good relation to suppliers to gain reduced prices for own advantage (e.g. computers, cars, food, consultant support or travelling for private use. etc). You are also not allowed to abuse your power as a Deputy Director/Director/Administrative Officer/Head of Department etc. to get personal favours or services done by employees.

Bribery :

Bribery is defined as the act of offering someone money, services or other valuables, in order to persuade him or her to do something in return.

Bribery is illegal in all countries and harms the opportunities for fair and transparent relations of cooperation and the foundation for a democratic society. Our example is that we do not receive bribes from potential partners or suppliers to make contracts with them and we do not give bribes to our partners as a way of influencing. Likewise, CSR under no circumstances accepts bribes in order to promote the implementation of its activities. We base our cooperation with partner organisations on mutual ownership, accountability, participation equality, harmonization, and alignment.

Gifts :

CSR will not give or receive, directly or indirectly, any gift or other favour that may influence the exercise of our function, performance of duty or other ways of possibly harming CSR.

Gifts are defined as (but not limited to) Services, travel, entertainment, material things or favours. In order to respect local traditions and conventional hospitality minor gifts are accepted/given. The value of an acceptable/given gift varies in different countries. Cash gifts are never accepted/given. All employees of CSR and our partners are expected to show good judgement and when in doubt, contact their superior. A rule of thumb is that a gift should never influence your independent judgement and that one should share the gifts with colleagues, if possible.

Responsibility of Governing Council/Trustees :

The Governing Council/Trustees of CSR are responsible for identifying the major risks to which CSR is exposed, and for ensuring that appropriate systems, procedures and controls are in place. In the case of fraud, systems and controls should reduce the likelihood of fraud occurring, and procedures should outline CSR's response to a suspected or actual fraud.

Responsibility of CSR staff:

The Director, with the support of the Head of Departments (HODs), is responsible for the ongoing management of CSR, and therefore for the maintenance of the systems and controls designed to minimise the incidence of fraud within the organisation.

The Director/HODs are responsible for ensuring that, through a system of line management, employees are aware of the risks of fraud, familiar with the types of impropriety that might be expected to occur within their areas of responsibility, and alert for any indications of irregularity. Similarly, Director/HODs and authorised person/line managers are responsible for ensuring that employees comply with systems established to prevent and detect fraudulent activity.

The Head of Finance/Administration is specifically responsible for the design, implementation, development and maintenance of systems to prevent and detect fraudulent activity. Compliance with systems should be confirmed by both internal and external audits. It is also the responsibility of the Head of Finance/Administration to maintain a register of reported cases of suspected fraud.

All employees have a duty to act honestly and with integrity at all times, and to report any suspected irregularity without delay.

Procedure for reporting suspected fraud:

An employee who is concerned with the actions of a colleague or colleagues and suspects that a fraud has been committed planned or apprehended, should not give the suspect any idea of their suspicions, as that would jeopardise any investigation. The details should be reported immediately by the employee to his or her HODs or to other senior personnel in the office. If for any reason the employee feels unable to discuss the matter with HODs, they should directly contact the Director.

HODs or to other senior personnel, to whom the suspected fraud has been reported should not carry out an investigation in to the allegation, but should report the matter immediately to the Director.

In the event that the Director is implicated in the suspected fraud, the incident should be reported to the Managing Trustee/Chairperson of the Governing Council.

Procedure for responding to reports of suspected fraud:-

If the Director concludes that the allegations have substance, an investigation should be initiated. The Director is responsible for determining the nature of any such investigation.

Such an investigation will aim to establish the extent of the fraud, identify the perpetrator, and determine whether other individuals are involved. It will also consider

whether a lack of adequate systems and internal controls allowed the fraud to be perpetrated, or whether the problem arose due to a failure to ensure compliance with existing systems.

Non-compliance with existing systems may be evidence of negligence on the part of management, and those responsible will be subject to due disciplinary process. Serious negligence on the part of any manager or employee will be considered as reasonable grounds for dismissal.

Partner organizations:-

All organisations receiving grants from CSR are expected to have a written anti fraud policy. Any organisation without such a policy may, as an alternative, adapt CSR policy. (This can be added as one of the clauses in the MoU)

If fraud is suspected either in the partner organisation itself, or in an associate of that organisation, the Director of the partner organisation must report the matter immediately to the relevant Administrative Officer/Finance Officer at CSR, together with details of the organisation's response to the problem. CSR Administrative officer/Finance officer must report the matter to the Director/Deputy Director/Head of Administration/Finance who will determine CSR response.

Notwithstanding any local response to a suspected problem, CSR reserves the right to carry out its own investigation of any alleged irregularity and an audit of local systems and controls.

Disciplinary action: -

It is the policy of CSR to report all cases of suspected fraud to the Police, who may then wish to take criminal proceedings. Whether or not the matter is referred to the Police, disciplinary action, which may result up to dismissal, will be taken against the employee concerned. An allegation which proves to be unfounded and of malicious intent could be considered an act of gross misconduct on the part of the employee concerned who raised that issue. Disciplinary action, which may result in dismissal, will be taken against any employee making such an allegation (this needs to be in writing).