



Advocacy Initiative for Development Sierra Leone (AID-SL)

...transforming lives & communities!

FRAUD & CORRUPTION PREVENTION & CONTROL POLICY



DEFINITIONS

- **Fraud:** The act of intentionally deceiving someone in order to gain an unfair or illegal advantage (financially, materially, technologically or other).
- **Corruption:** The act of giving or obtaining an advantage through the abuse of entrusted power by means which are illegitimate, immoral, and/or inconsistent with one's duty or the rights of others.

Fraud and corruption do not necessarily imply immediate financial benefits for the individual(s) involved, but may cause financial or reputational damage to Advocacy Initiative for Development.

Personnel: For the purposes of the present Policy, Advocacy Initiative for Development personnel" includes staff members, partners, interns, international and local consultants as well as experts on mission, and other external collaborators etc.

BACKGROUND

This fraud and corruption prevention and control policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against Advocacy Initiative for Development (AID-SL). It is the intent of AID-SL to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conducting investigations.

SCOPE OF POLICY

This policy applies to any irregularity, or suspected irregularity, involving employees as well as stakeholders, partners, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Advocacy Initiative for Development (AID-SL).

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the organization.

POLICY

Management is responsible for the detection and prevention of fraud, corruption, misappropriations, and other irregularities. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be reported immediately to the Executive Director, who coordinates all investigations with the Legal Department and other affected areas, both internal and external.

ACTIONS CONSTITUTING FRAUD & CORRUPTION

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of organizations activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by the organization
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Organisation.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or any similar or related irregularity

OTHER IRREGULARITIES

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by departmental management and the Human Resources Unit.

If there is any question as to whether an action constitutes fraud, contact the Executive Director for guidance.

INVESTIGATION RESPONSIBILITIES

The Senior Management Team has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the Senior Management Team will issue a query to the personnel and if severe, a copy will be sent to the Board of Directors

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.

CONFIDENTIALITY

All personnel and Units should at all times treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify his/her immediate supervisor immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see REPORTING PROCEDURE section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Organisation from potential civil liability.

AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD OR CORRUPTION

Members of the Senior Management Team will have:

- Free and unrestricted access to all organization records and premises, whether owned or rented.
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact his/her immediate supervisor immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Senior Management. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: **“I am not at liberty to discuss this matter.”** Under no circumstances should any reference be made to “the allegation,” “the crime,” “the fraud,” “the forgery,” “the misappropriation,” or any other specific reference. The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Senior Management Team or the Legal Department.

TERMINATION

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Board, Executive Director or the Legal Department and, if necessary, by outside counsel, before any such action is taken. The Human Resource Officer does not have the unilateral authority to terminate an employee. The decision to terminate an employee is made by the Board or the Executive Director. In the case that any Unit or individual believe that the Executive Director's decision is inappropriate for the facts presented, the facts will be presented to Board for a decision.

ADMINISTRATION

The Executive Director is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed and revised as and when the need arises.

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