



"Together we can make a difference"

Anti-Fraud and Anti-Corruption Policy

Network for Youth Development (NfYD) has designed this policy to ensure that incidences of fraud and corruption are identified and addressed in an appropriate and timely manner within the organisation and its beneficiaries.

This Policy applies and works at different levels of the organisation such as the Board, members of staff, including affiliate organisations, and to all paid and unpaid consultants, contractors, interns, secondees and volunteers that provide supplies, services or support, to NfYD or promote its work at any location in Malawi. All such parties are referred to as "employee" in this document.

This Policy also applies to NfYD's partners, vendors and other third parties, where it is included or referenced in relevant bid or tender documents, agreements, memorandums, purchase orders or contracts.

Signed:

Signed:

Boniface Mbundungu
Board Chairperson

Gift Numeri
Executive Director

INTRODUCTION

NfYD is committed to acting professionally and fairly in all of its dealings and relationships, employing the highest standards of openness, transparency and accountability and takes a zero tolerance approach to fraud, bribery and corruption.

NfYD promotes a culture of honesty and integrity, and totally opposes any form of fraud, bribery or corruption. Fraud, bribery and corruption impact disproportionately on the poor and the most vulnerable people in the world. Such criminal activities divert resources intended for humanitarian assistance and development away from our intended beneficiaries; they increase the costs of basic public services; and undermine economic growth. Such actions are a barrier to poverty alleviation and good governance.

The purpose of the NfYD Anti-Fraud and Anti-Corruption Policy is to provide clear definitions of what we mean by fraud, bribery and corruption. It is also a definitive statement to everyone associated with NfYD - making clear that we will not tolerate fraudulent or corrupt activities, and the giving or receiving of bribes. This policy summarises the responsibilities of all NfYD staff and Board members to adhere to and uphold NfYD's position on fraud, bribery and corruption.

NfYD's Board(s) and Senior Management Teams are committed to the implementation of this policy and to ensuring that training and support is provided to all employees and Board members on its content, and on their individual and collective responsibilities.

WHO THIS APPLIES TO

NfYD Anti-Fraud and Anti-Corruption Policy applies as per the cover sheet.

DEFINITIONS

What is Fraud?

Fraud is used to describe a range of illegal activities. These include, but are not limited to, deception, forgery, theft, the false reporting or concealment of material facts, collusion and corruption (including bribery) and undeclared conflicts of interest.

Examples of fraud other than bribery, include, but are not limited to:

- Theft of money, property or assets
- Inappropriate use of company assets
- Submitting false expense claims
- Forging, tampering with or falsely creating documents or records
- Destroying or removing documents or records
- Knowingly creating or distributing false financial information or reports
- Engaging in bribery or corruption
- Deliberately ignoring or acquiescing in fraudulent activity

What is Bribery & Corruption?

Bribery and corruption have a range of definitions in law. The following is a plain language guide:

Bribery: The offering, promising, giving, accepting or soliciting of money, gifts or other advantages in exchange for doing something illegal or breaching an employer's trust.

Corruption: The abuse of entrusted power or influence for private gain.

The following are some examples of attempted bribery:

- A potential supplier offers money or a gift to influence a procurement/tender process.
- A job applicant offers payment or a gift to increase his/her chances of being hired.
- A gift (e.g. excessive hospitality) offered to a local official in return for approving a proposal.
- A potential or actual beneficiary offers a payment in return for allowing him/her or their family to be given aid to which they are not entitled.
- A government official asks for a payment to secure an NGO registration.
- A customs official asks for an unofficial payment or gift to release goods.

What is a Facilitation Payment?

The final two bullets above could be examples of facilitation payments, which are usually a bribe in the form of a small, unofficial payment. It is made to secure or expedite the performance of a routine or necessary action to which the person making the payment has legal or other entitlement, e.g. an unofficial payment made to a border guard/officer in return for a speedier crossing.

Kickbacks

Kickbacks are typically payments made in return for a business favour or advantage.

Payments under Duress

Payments made under duress are in response to demands accompanied by threats to life, limb or liberty.

What are 'Gifts and Hospitality?'

These can range from small gifts or promotional materials (such as diaries and pens) to expensive hospitality (such as a holiday). Extravagant gifts and hospitality may be thinly-veiled bribes intended to induce improper behaviour.

POLICY STATEMENT

Fraud, bribery or corruption in any form will not be tolerated by NfYD. Where criminality occurs the loss is not just to NfYD but, much more importantly, to NfYD's beneficiaries who are some of the poorest and vulnerable people in the world. It may also have a major impact on NfYD's reputation and, as a consequence, donor confidence in NfYD.

This, again, ultimately impacts upon our beneficiaries. NfYD will conduct, manage, and monitor all aspects of our work in a way that reduces and hopefully eliminates opportunities for fraudulent or corrupt activity, including the giving or accepting of bribes.

Facilitation Payments and 'Kickbacks'

All NfYD employees and NfYD Board members must avoid any activity that might lead to a facilitation payment being made or accepted by or on behalf of NfYD.

NfYD prohibits the making or accepting of facilitation payments and 'kickbacks'. If someone suspects a payment request to be solely for the purposes of facilitation, they should ask that a detailed receipt be provided.

If there appears to be no legitimate reason for a request for payment, it should be explained that NfYD does not make or accept facilitation payments.

If any NfYD employee feels it is safe and appropriate to do so, they should ask to speak to the supervisor of the person requesting the payment. If a receipt can be provided and the NfYD employee does not suspect the payment is for the purposes of facilitation, a payment will be allowable.

Payments under Duress

It is permissible for a payment to be made in the rare and exceptional circumstances where it is believed necessary to protect against loss of life, limb or liberty (except in the case of lawful detention). If possible, the circumstances and proposed payment should be discussed in advance with a line manager. In all such cases an incident report must be submitted.

Gifts and Hospitality

The giving or receiving of gifts (other than those deemed to be small promotional items) by or on behalf of NfYD is not permitted under any circumstances. NfYD staff and Board members must exercise great caution when offering or accepting hospitality and entertainment.

They must be certain that what is being offered is not designed to gain improper benefit or does not otherwise amount to bribery or corruption.

The providing or accepting of hospitality or entertainment is allowed, as long as:

- It is not done with the intention of influencing the behaviour of the recipient;
- It is done openly;
- It complies with local law.
- If a member of NfYD staff or Board wishes to offer entertainment or hospitality, it must be authorised by a senior manager in advance

RESPONSIBILITIES

NfYD Board members, Senior Management, Managers and employees at every level are responsible for protecting NfYD and the communities we serve from the impact of fraud, bribery and corruption by always acting in accordance with this policy.

Board of Directors

The NfYD Board is responsible for ensuring that the organisation has a properly functional internal control and risk management system and expects that all instances of fraud/corruption are brought to its attention by management.

Senior Staff and Managers

It is incumbent upon NfYD managers and senior staff to set an example by complying fully with NfYD's policies, procedures and controls. Managers and senior staff are responsible for ensuring that employees under their charge are trained upon and fully understand the NfYD Anti-Fraud and Anti-Corruption Policy, and the consequences of non-compliance.

Senior staff and managers must be familiar with and alert to the types of fraud that might occur in their area(s) of responsibility. In particular they must:

- Ensure that this policy and all NfYD's systems, financial controls and procedures are fully understood by staff;
- Frequently check that these are being fully observed and implemented;
- Regularly review and, where necessary, update control and procedures.

All Employees

It is the responsibility of every NfYD employee to carry out their work and conduct themselves at all times in such a way as to prevent fraud, bribery and corruption. All NfYD employees and Board members must be alert to and report any actual or suspected instances of fraud, bribery and/or corruption.

Responsibility of the Organisation

Periodic Risk Assessments: The NfYD Audit and Risk Committee shall regularly (at minimum, once a year) assess risks, including those covered by this policy; assess, update and record existing and potential risks to the organisation's human and material assets.

REPORTING AND INVESTIGATION

If someone connected to NfYD is offered or asked to pay a bribe, they must refuse and explain that bribery runs totally counter to NfYD policies.

If someone suspects that fraud, bribery or corruption is, has, or is likely to take place, they must at the earliest opportunity report the matter via the line manager and/or the NfYD Whistle-blowing Policy. The interests and well-being of those making a report will be fully protected by NfYD's Whistle-blowing Policy.

Failure on the part of a NfYD employee or Board member to report suspicions may lead to disciplinary procedures being instigated, up to and including dismissal and/or legal proceedings.

If an employee knowingly lodges a false report, this will be regarded as a serious disciplinary offence and dealt with in accordance with NfYD's disciplinary procedures.

Investigating reports of fraud will be as per NfYD's Serious Wrongdoing Reporting and Investigation procedures.

TRAINING AND COMMUNICATION

As part of the induction given to new staff and Board members to any NfYD entity, NfYD will effectively communicate and provide training on our Anti-Fraud Policy. Ongoing refresher courses and training on anti-fraud will also be conducted.

ANNUAL APPRAISAL

Completion of training on anti-fraud and ensuring that senior staff (and those under their charge) are compliant with this policy will form part of NfYD's annual performance appraisals.

DISCIPLINARY SANCTIONS

Violations of this policy will be dealt with in accordance with NfYD's Disciplinary Procedure and may result in sanctions, up to and including termination of employment.

ASSOCIATED POLICIES AND PROCEDURES

The NfYD Anti-Fraud and Anti-Corruption Policy is linked to and must be read in conjunction with:

- NfYD Employment contract
- NfYD Code of Conduct
- Sexual and Harassment Policy
- NfYD Conflict of Interest Policy

- Serious Wrongdoing Reporting and Investigation NfYD reserves the right to report any suspected criminal activity to the relevant legal authorities.

Guidelines for Reporting of Misconducts

What is misconduct?	Misconduct is violation of legal rules, internal rules, guidelines or ethical and professional norms including conducts such as sexual harassment, discrimination and drug abuse; conditions which are dangerous for life and health; financial irregularities such as embezzlement, corruption, fraud, and nepotism
Who can report misconduct?	Anyone.
How to report misconduct?	Reporting can be done verbally or in writing. For example, by phone, e-mail, letter or face-to-face meetings.
To whom should I report the misconduct?	As a main rule, you should report directly to your leader or the next person higher up in the line.
	It is possible to report misconduct anonymously to report@nfydmw.org
	If it is a clear criminal case, the local authorities shall be notified. In case the fund comes from multiple donors, all donors shall be notified.
When to report misconduct?	There is zero tolerance for financial irregularities. As soon as you have a reasoned suspicion about misconduct, it shall be reported.
What should the report contain? Even if you do not have complete information, you should report if you suspect misconducts.	How you come to know of the misconduct. Who informed you about the misconduct Assess whether information is build on rumors/slander or concrete documented facts. Also assess if the source is reliable or questionable. What have you done so far, and what will you do in the future. If it is a financial irregularity, how much? How and when did it happen?
Consequences	External auditor will be employed by NfYD to investigate and document the misconduct. Change in routines to prevent similar situations in the future shall take place. Statement which tells how embezzled funds will be recovered shall be sent to NfYD Board.
	NfYD will withhold salary or will stop any future transfer until the case is clarified and the risk of future case eliminated..
	Embezzled funds which are not settled have to be paid back to NfYD.
	At the sole discretion of NfYD the contract may be terminated, and prosecution will be considered.