**Rural Institution for Community Development (RICOD)**

Policy on "Anti-Fraud, Bribery and Corruption (ABC policy)

*June 26, 2022*

**Godawari Municipality-11, Chapagaon, Lalitpur**

**Province -3, Nepal**

Policy on "Anti-Fraud, Bribery and Corruption (Policy on ABC)

**1.** **Preamble:**

RICOD has a zero tolerance for Fraud, Bribery and Corruption. RICOD will not tolerate its members, staff, associates, partners or any other representatives associated with the delivery of its work to engage in any form of Fraud, Bribery and Corruption. Fraud, Bribery and Corruption is at risk in any intervention of operation and in organization. RICOD is committed to avoid all type of Fraud, Bribery and Corruption and has approved this policy on anti-fraud, bribery and corruption.

This policy ensures that all RICOD members, staff, associates, and partners are aware of their role and responsibilities in keeping participants, beneficiaries and stakeholders safe from any form of Fraud, Bribery and Corruption. The policy clarifies definitions and responsibilities regarding prohibited behavior and the associated procedures outline the reporting and investigation processes.

All the members, staff and representatives are accountable although, the Board of RICOD & Project management committee is ultimately more accountable to implement this policy. It is the responsibility of all representatives of RICOD to raise any concerns regarding Fraud, Bribery and Corruption. RICOD takes all concerns and complaints seriously, anonymously and will initiate a comprehensive investigation of complaints and take disciplinary and legal action appropriately.

**2.** **Definitions:**

* *“RICOD associates”*refers to a range of paid and non-paid individuals who have committed to work with or support RICOD. It includes volunteers, interns, consultants and contractors.
* *“RICOD partners”*refers to staff and/or representatives of partner organizations and local governments when operating in partnership agreement with RICOD.
* *“Fraud Audit & Control Team - FACT”* refers to the three-member committee formed by Executive Board, one member is from the board, one from program management team and one from among the general members. The Fraud Audit and Control Team (FACT) is authorized to recruit additional technical expert to accomplish the task.

 **3. Objective of the policy:**

* Ensuring zero tolerance for Fraud, Bribery and Corruption.
* Building a culture of honest, fair and cost-efficient working environment in the absence of fraud, bribery and corruption in the organization.

**4. Meaning and definition of fraud, bribery and corruption.**

* Intentional deception for personal gain
* Obtaining advantage
* Avoiding obligation
* Dishonest appropriation of property
* Abuse of entrusted power or position for private gain. Giving order to manage resources in the personal favour of individuals. Receiving kick back & bribe. Offering, promising, giving, soliciting or accepting any financial or other advantage from beneficiaries and venders. The approaches of selecting venders in the personal favour or under the personal intimacy.

**4.1 Behaviour indicating corrupt practices but is not limited to:**

|  |  |
| --- | --- |
| * Facilitation payments
* Improperly seeking to influence a public official,
* Distribution of organizational relief materials in the name political party/representative
* Receiving improper benefits
* Embezzlement
* Collusion
* Abuse of position of trust
 | * False accounting
* False invoicing
* Expenses fraud
* Payroll fraud
* Tax or duty evasion
* Forgery
* Brand fraud
* Obstructing Proper process
* Nepotism/patronage
 |

**5 CONFLICT OF INTEREST:** Organization always avoids the conflict of interest in the organization. In the situation of COI, person arises where an employee has a private or personal interest which may, or could be perceived to, compromise their ability to do their performance for the best interest of organization. RICOD staff or concerns use self-declaration practice for the best benefit to the organization.

**6. Share Responsibilities:** Every-one who are associated to the RICOD (ie members, staffs, volunteers, beneficiaries and stakeholders) are responsible to avoid and control the fraud but management team and the governing body are more responsible. Similarly, everyone has the responsibility to implement and improvement on the process.

**7. Policy Communication & Dissemination:** RICOD effectively communicates with all members, staff, associates, service providers, venders and partners in simple and accessible language to create a positive and accessible culture where responsibilities for the policy on ABC (Anti-fraud, Bribery and Corruption). It is also project team takes responsibility to share the policy provision and reporting channels to the staff, beneficiaries and stakeholders before starting and with-in the area of program operation of the projects or programs in community.

**8. Confidentiality:** RICOD is committed to keep the confidentiality of survivor and perpetrator. Information will be confidential within the FACT (Fraud audit and control Team), however it can be shared with the concerned advocate for legal treatment if required. The safety of the person involved in the incident will be handled carefully. Confidential or sensitive information obtained by any member during the course of an investigation shall not be disclosed to others unless required by law. Concerns of individuals regarding confidentiality of information provided by them will be handled as sensitively as possible, and information shall not unnecessarily be disclosed to others.

**9.**  **Operational management of Policy on ABC (Anti-fraud, bribery, and corruption)**

**9.1 Awareness:** Massively disseminate the anti-fraud policy of the organization and reporting mechanism to staff, members, beneficiaries, supplier, venders, service providers and stakeholders to minimize the risk of corruption and increase the reporting practice.

**9.2 Prevention:** RICOD understand & explore the root cause of fraud, bribery and corruption in the organization. Identify the policy loopholes of the organization and address those loopholes and procedure appropriately.

**9.3 Reporting:** RICOD establish strong reporting mechanism, able to ensure the protection & privacy of reporter and respect human right of suspected person (perpetuator).

**9.4 Response:** A strong and independent team (FACT) takes needful investigation and recommend to the executive committee to implement and put those recommendations in action. Fraud Audit control Team may not require disclosing their investigation process.

* RICOD is recruit staff reviewing their history. Different procedure followed to ensure that the organization is preventing fraud, bribery, corruption and enabling anti-fraud working culture:
* Complaints responding timeline and concerns will be responded to respectfully. Initial investigation will be done within 15 days and the case will be closed within a month. However, time period can be longer to come to a just conclusion.
* Authorized team will have the full authority over operational and investigation strategy.

**10. Who can register appellate /complaint?**

Any of the members, staffs, volunteers, donors, stakeholders, service provider and beneficiaries are eligible to report the case against the fraud, bribery and corruption. If the perpetuator does not agree on the decision of FACT / organization, s/he can complain again in any higher authorities/RICOD's Executive Committee within 35 days of the earlier decision.

**11. Complain registration Mechanism** – this is for within and outside the organization.

The organization (through FACT) take the complains & reports. A reporting cell number or mail address managed carefully. The FACT consists of three members, one from the board, one from among the general member and one member from program management committee. Any complaint that comes will be treated with sensitivity and utmost confidentiality. This is keeping in mind that anything that is related to fraud, bribery and corruption is a very sensitive issue causing emotional pain to the victim and even putting them at risk of harm. For taking complaints of this nature there has to be one channel and not too many as we have to treat them as confidential. If there are complaints on, then the member will share with the committee which will decide on the next steps to be taken. Any member of the FACT receiving complaint should share it with the FACT immediately and the team will call a meeting within 3 days after having received the complaint. These complaints will be treated with utmost care and sensitivity, and appropriate actions taken as soon as possible.

The organization can promote complain/feedback collection means through phone call, messenger, e-mail and postal service. Contact number like phone or cell number, messenger or email ID and mailing address are circulated widely to make easy access to register complaints.

**12. Response mechanism of FACT (Fraud Audit and Control Team)**:

If the incident is of serious nature and the organizational team is directly involved, FACT proceed for further investigation. As per the report of the investigation team, it can call for suspension in the suspected person of the organization, based on the primary findings. Or the team reports the concern authority for the legal treatment and communicate to the board appropriately.

**13. Action steps of complaint response:**

* 1. The FACT is authorized to communicate to the concern person in need.
	2. The team / committee investigates and collects more proofs/ evidence.
	3. The committee recommends findings and recommendations to the Executive Committee for the management action.
	4. Executive committee takes appropriate management action as recommended (for Example: give a warning to the person or termination from the job or forward it to the legal treatment or circulate to the concern network to put the person in blacklist).

**14. Zero Tolerance:** RICOD has zero tolerance for any forms of fraud, abuse and corruption.

**15. Continuous improvement:** RICOD provides assessment, reflection and feedback mechanisms to inform the organization of any improvements that can be made to policies and practices.

**16. Retaliation Prohibited:**

RICOD maintains a zero-tolerance policy for retaliation against anyone for reporting of Fraud, Bribery & corruption, assisting in making a complaint, or participating in an investigation. Any members, staff, associate, or partner who makes a good-faith complaint of fraud, bribery and corruption or misuse authority, assists, testifies, or participates in any investigation or proceeding or who reasonably poses such conduct in the workplace will not be adversely affected in the terms and conditions of his or her employment and will not be discriminated against or discharged for engaging in such activity. Retaliation (an act of revenge) not only affects the recipient, but also can spread rapidly throughout RICOD. Complaints of retaliation will be promptly investigated. If retaliation is substantiated, appropriate disciplinary action, including possible dismissal, will be taken.

Approved by board: 26 June, 2022