



WOMEN ENVIRONMENTAL PROGRAMME (WEP)

ANTI-FRAUD AND CORRUPTION POLICY

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1. Introduction

The adverse effect of corruption and fraud on the effectiveness of global development projects and activities is widely recognized and efforts are consistently underway to prevent, detect and punish corruption and fraud associated with development assistance. The aim of this Policy is to safeguard the reputation and financial viability of WEP through improved management of fraud risk and prevention of corruption. The Policy sets out explicit steps to be taken in response to reported or suspected fraud or corruption, as well as organizational measures that will be taken to prevent or minimize such risks. The Policy has been developed based on good practice examples of fraud risk control strategies and of fraud and anti-corruption response plans found in the public and not-for-profit sectors, and on the specific needs and requirements of WEP as a global organization.

The objectives of this Policy are to:

- (i) Affirm and communicate WEP's formal adoption of a policy to prevent and combat fraud and corruption in its projects, programs and operations;
- (ii) Describe the ongoing efforts and processes of WEP in this area;
- (iii) Outline the measures that WEP will be taking in implementing this Policy.

2. Policy Statement

WEP complies with applicable Nigerian laws and the laws of the countries in which the organization operates. WEP takes a zero-tolerance position with respect to fraud and corruption and prohibits corruption in any form, directly or indirectly. Zero tolerance means that WEP will investigate all allegations falling under the scope of this Policy and apply appropriate sanctions where the allegations are substantiated.

WEP is committed to its donors, partners and contractors in adhering to the highest standards of probity and accountability in the use of her funding and takes a zero-tolerance stance with respect to cases of fraud and corruption by strengthening its governance, internal controls and risk management practices.

WEP shall take all possible actions to protect from reprisals individuals who help reveal corrupt or fraudulent practices in WEP projects or grants and individuals, as well as individuals and entities subject to unfair or malicious allegations.

3. Scope and application

This Policy applies worldwide to all staff members, directors and officers of WEP or the organization's affiliated entities, whether permanent, fixed-term or temporary including consultants, agents and contractors. This Policy applies to WEP-funded projects, programs and activities whether implemented directly by WEP or by an implementing agency or other grantee entity. WEP will continue to look to improve her internal controls, including controls inherent in or pertaining to her program/project activities, so as to ensure that it is effective in preventing, detecting and investigating, fraudulent and corrupt practices.

This Policy is an integral part of WEP's internal control policy framework and should be read and applied in conjunction with the WEP Code of Conduct, and WEP Accounting Standards and Procedures. In addition, the definitions that appear in the Glossary are to be interpreted within the context of this Policy.

4. Definition of fraud and corruption

The definition of fraud and corruption varies among countries and jurisdictions, and the term is commonly used to describe a wide variety of dishonest practices. The following definitions shall apply in the context of this Policy:

Fraud is a knowing misrepresentation of the truth or a concealment of a material fact to induce another to act to his or her detriment.

Corruption is the act of doing something with intent to give an advantage inappropriate with official duties to obtain a benefit, to harm or to influence improperly the actions of another party.

Actions taken to instigate, aid, abet, attempt, conspire or cooperate in a fraudulent or corrupt act, also constitute fraud or corruption.

Examples of fraud and corruption include, but are not limited to, the following actions:

- Forging documents, preparing false entries in WEP systems or making false statements to obtain a financial or other benefit for oneself or another/others;

- Collusion or other anti-competitive scheme between suppliers during a procurement process;
- Providing information in relation to a medical insurance claim or another entitlement that the claimant knows to be false;
- Forging the signature of a WEP staff member or forging a document purporting to be from WEP to induce a party outside WEP to act;
- Using another's IT identity or password, or creating false identities/passwords, without consent or authority to manipulate WEP processes or cause the approval or denial of actions;
- Accepting hospitality such as meals or entertainment from a vendor;
- Misrepresenting WEP employment status to obtain a benefit from a government or private sector entity;
- Failing to disclose a financial or familial interest in a business or outside party while participating in the award/management of a contract to the benefit of that business or outside party;
- Processing the cost of personal travel as part of an official travel;
- Making misrepresentations, including educational credentials or professional qualifications, on a personal history form in the context of a job application; and
- Falsifying documents, making false statements, preparing false entries in WEP systems or other deceptive acts to the detriment of those someone seeks to disfavor, or to discredit a person, programme or the Organization.

5. Fraud prevention measures

5.1 Fraud awareness

Staff members, non-staff personnel, vendors, implementing partners and responsible parties must be aware of their responsibility to prevent fraud and corruption. In this regard, managers are to raise awareness of this Policy, and reiterate the duty of all staff members to report instances of fraud and corruption, as required by the WEP Staff Rules and the WEP Legal Framework. Managers are also required to make non-staff personnel, vendors, implementing partners and responsible parties contracted/engaged by their respective offices aware of this Policy.

5.2 Building fraud prevention into programme and project design

When developing a new programme or project, it is important to ensure that fraud risks are fully considered in the programme/project design and processes. This is especially important for high risk programmes/projects, such as those that are complex or operate in high risk environments. These programme/project risk logs shall be communicated to relevant stakeholders, including donors, implementing partners and responsible parties, together with an assessment of the extent to which risks can be mitigated.

Programme and Project Managers are responsible for ensuring that the risk of fraud and corruption is identified during the programme/project design phase. They are to consider how easily fraudulent acts might occur and be replicated in the day-to-day operations. They are also to evaluate their impact, and the effectiveness of the measures taken to mitigate risks, including systemic monitoring actions. Informed decisions can then be made on additional mitigating actions.

5.3 Management of the risk of fraud and corruption

The risk of fraud and corruption is assessed and managed in accordance with WEP's risk management procedures. Managers shall identify and assess the risks in their programme or project areas, including the risk of fraud and corruption, and apply mitigating measures, taking due account of the level of risk involved. Because it is impossible to eliminate all risks, good risk management requires a sound balance of the following aspects: assessment, mitigation, transfer or acceptance of risks. These risks shall be communicated to relevant stakeholders, together with an assessment of the extent to which risks can be mitigated.

Managers shall be vigilant in monitoring irregularities and the risk of fraud. Where managers are concerned about the level of fraud risk within a programme, project, or management service agreement activity, they may consult an Independent Investigator for its consideration as to whether a proactive investigation is justified. Proactive investigations aim to identify and control an existing (but yet unidentified) risk of fraud or financial irregularity.

The Finance Manager is accountable for the adequacy and effectiveness of the controls in place in the organization and responsible for promoting the deterrence and prevention of fraud by evaluating the effectiveness of internal controls, and reporting periodically on their adequacy to the Management. The responsibilities of the internal audit function also extend to examining and

evaluating the adequacy and effectiveness of controls of WEP partners to mitigate the risk of fraud and corruption.

5.4 Fraud risk assessment

Where a high risk of fraud has been identified within the general risk assessment of programmes/projects, an additional and specific fraud risk assessment may be necessary. This in-depth assessment should be used to better identify fraud risks and develop effective measures that address these high risks. The aim is to help management to identify and evaluate areas of the programme/project that are most susceptible to fraud, and prioritise where WEP should focus its resources for fraud prevention and mitigation.

These fraud prevention and mitigation measures should be monitored for effectiveness over time, and the fraud risk assessment process may be repeated periodically utilising lessons learned, especially for longer-duration programmes/projects or where material changes are made to the design of the programme/project during its implementation.

5.5 Internal control system

A strong internal control system, where policies and procedures are enforced, internal controls are appropriately implemented, and staff members, non-staff personnel, vendors, implementing partners and responsible parties are informed about fraud and corruption and its consequences, can curtail fraud and corruption.

Where managers have identified and assessed the risk of fraud and corruption, these risks can be managed by establishing practices and controls to mitigate the risks, by accepting the risks — but monitoring actual exposure — or by designing on-going or specific fraud evaluation procedures to deal with individual fraud risks. Within WEP, this may involve applying controls additional to those specified in the WEP which outline the minimum internal control standards that must be observed.

5.6 Integrity and other best practices

Best practices with respect to knowing staff members, non-staff personnel, vendors, implementing partners and responsible parties, must be followed by WEP staff, especially business unit managers and other hiring/contracting officials.

Integrity is a paramount consideration in the recruitment of staff members and the contracting of non-staff personnel. In this context, WEP's hiring unit should ensure that the Organization is recruiting/contracting individuals that meet the standards of conduct expected of staff members and non-staff personnel. This

can be achieved, for instance, by using specific interview assessment tools for integrity, professional experience and academic checks.

WEP requires all of her vendors to be qualified, as well as be eligible. WEP shall not award a contract to any vendor, including NGOs or CSOs (as are a responsible party, implementing partner or as a vendor), that has a record of fraudulent engagements.

6. Roles and responsibilities

All WEP staff members and non-staff personnel have critical roles and responsibilities in ensuring that fraud is prevented, detected and dealt with promptly. They are responsible for safeguarding resources entrusted to WEP and for upholding and protecting her reputation. Similarly, all WEP vendors, implementing partners and responsible parties shall be held to the highest ethical standards, and should report to WEP any acts of fraud and corruption.

6.1. Staff Members and Non-staff Personnel

Staff members and non-staff personnel must understand their roles and responsibilities, and how their job functions and procedures are designed to manage fraud risks, and how non-compliance may create an opportunity for fraud to occur or go undetected. Staff members have the obligation to complete all mandatory WEP trainings, and to keep themselves informed of new policies, and report immediately any evidence of practices that indicate fraud or corruption may have occurred.

Fraud and corruption, if committed by a staff member, constitutes misconduct for which a disciplinary measure may be imposed, including dismissal, in accordance with WEP's Employment Policy. Similarly, fraud and corruption by non-staff personnel is not tolerated in accordance with this policy. Contracts must be terminated where non-staff personnel's involvement in proscribed practices is established. In both instances, the allegations of fraud and corruption may be referred to national authorities for criminal investigation and prosecution of those involved.

Additionally, managers are expected to act as role models and through their actions and behaviours set the tone for the rest of the Organization. They should foster a culture of zero tolerance for fraud and corruption, and ensure that any practices not aligned with this Policy are dealt with expeditiously. They are required to go beyond compliance with relevant corporate policies and procedures and to take proactive steps to prevent and identify potential fraud and corruption. In particular, managers are expected to:

- i. Perform risk assessments to identify potential fraud risks to which their assets, programmes, activities, and interests are exposed.

- ii. Assess the identified risks, select risk-avoidance options, design and implement cost effective prevention, mitigation and control measures.
- iii. Establish/implement measures to prevent the reoccurrence of fraud.
- iv. Monitor and supervise the performance, working methods and outputs of their staff to ensure that staff are conducting themselves in ways that meet the most ethical and professional standards.

Managers who fail to take appropriate action or who tolerate or condone fraudulent activities or corruption will be held accountable.

6.2 WEP Grantees and Partners

The success of an anti-corruption program is determined by the degree to which it is supported by all relevant Partners. WEP will work closely with all her Partners in order to avoid fraud and corruption issues. Prior to granting funds, WEP will verify the integrity of the grantee through a due diligence process. WEP will check the control mechanisms of the grantee and the entity's management and administration capacity. The agreed project targets and activities and amount of funding available are set out in detailed grant agreements. Grantees are also contractually bound by control mechanisms such as providing regular program activity and financial reports.

Actual and potential WEP Partners/Grantees and their employees, personnel and agents, have the duty to interact honestly and with integrity in the provision of goods and services to WEP, and to report immediately allegations of fraud and corruption to WEP. Partners/Grantees shall be encouraged to establish robust policies and procedures to combat fraud and corrupt practices, and are to cooperate with WEP auditors and investigators. Whenever an NGO or CSO acts as a WEP implementing partner or a responsible party, they have the duty to ensure that those funds are safeguarded and used for their intended purposes, as authorized by WEP.

6.3 Governmental Implementing Partners

In cases where the government is the implementing partner, the governmental implementing partners must take appropriate steps to prevent fraud and corruption, and ensure that anti-fraud and corruption policies are in place and applied to WEP projects or programmes that receive funding from WEP. All credible allegations of fraud and corruption in connection with the

implementation of activities funded by WEP will be investigated by the appropriate governmental authorities.

Where the governmental implementing partner becomes aware that WEP has provided or is to provide funds to an activity or an entity that is the focus of an investigation for alleged fraud/corruption, the governmental implementing partner will;

- i. Promptly advise WEP's Independent Investigator of her investigations.
- ii. Cooperate and provide the Independent Investigator confidentially regular updates on the status of the investigations. In cases where funds have already been provided by WEP, the governmental implementing partner will make every effort to recover all funds that it determines were diverted through fraud, corruption or other financial irregularities, and return any recovered funds to WEP.

Consistent with WEP's standard practices, when a contract is to be issued by the governmental implementing partner in connection with expenses of the WEP's funds, that contract shall include clauses that ensure that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that they shall cooperate with investigations.

6.4 Gifts, Hospitality and Expenses

WEP recognizes that fostering good relationships with business partners and stakeholders is important to her continued success. The provision and receipt of modest gifts and entertainment, and the incurring of modest expenses, are acceptable in principle, provided that they are reasonable and transparent. The following should be considered as guidelines.

- I. WEP prohibits the offering or accepting of gifts which exceed 5,000 naira in value. Additionally, any gifts received, should where possible be shared within WEP to avoid the perception that a staff member is directly benefiting.
- II. WEP permits the acceptance of hospitality provided that it does not imply a possible influence on the accomplishment or outcome of projects or business relationships. Staff members are required to use their good judgment before accepting a gift or hospitality. In the event of doubt, staff members should always seek approval from their Line Managers.

In the context of corruption, a gift is a material or financial benefit offered, given, solicited or received in the expectation of receiving a benefit in return. Gifts and hospitality may be used to facilitate corruption, or may give the appearance of corruption. Gifts may take the form of cash, presents, as well as

political or charitable donations. Hospitality includes meals, hotels, flights, entertainment and sporting events. The local context of countries and hospitality/courtesy conventions where WEP is operating should be considered when applying this Policy.

6.5 Conflicts of Interest

Conflict of interest occurs when a Staff Member has a private interest that prejudices the integrity and unbiased execution of his/her duties. Private interests include any advantage to oneself or one's family, relatives, friends and persons or organizations with which one has or had business or political relations. Potential, actual or suspected conflict of interest should be disclosed by staff members to the Finance Manager or using the reporting mechanisms as per this Policy.

6.7 A Culture of Integrity and Ethics

The most persuasive and effective method of preventing fraud is the promotion and management of an ethical and transparent environment that encourages Staff Members at all levels to actively participate in protecting the organization's reputation and resources.

This involves:

- A clear statement of ethical values in the WEP Code of Conduct which all Staff Members have an obligation to comply with and promote with third parties, and which the organization applies and enforces consistently;
- Establishing, disseminating and enforcing this Policy, including sanctions for wrongdoing;
- Clarifying and addressing conflict of interest cases;
- Establishing and applying personnel policies that focus on the honesty and integrity of employment candidates and require background checks sufficient to the level and sensitivity of the position;
- Maintaining staff morale, reasonable working hours, and common basic standards in local working conditions.

7. Reporting fraud

Ensuring a report is issued on a timely basis detailing the findings and conclusions of the investigation including recommendations for action to be taken. The report will only be disclosed to those with a legitimate need to know. This is important to avoid damaging the reputation of those suspected of

wrongdoing and subsequently found innocent, and to protect WEP from potential civil liability and loss of reputation and goodwill.

7.1 WEP Staff Members' Responsibility

Staff members should conduct themselves with integrity and appropriately in the use of WEP resources. They should be aware of the potential for corruption or fraud, and should report any reasonably suspected fraud or corruption. Concerns which should be reported include, but are not limited to, staff committing or attempting to commit:

- Any dishonest or fraudulent act;
- Forgery or alteration of documents or accounts;
- Misappropriation of funds, supplies or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Profiting personally from an official position or enabling family members/others to do so;
- Disclosure of official activities or information for advantage;
- Accepting or seeking value from third parties by virtue of official position or authority;
- Theft or misuse of property, facilities or services.

External party actions which should be reported include:

- Being offered a bribe or inducement by a partner or supplier;
- Receiving fraudulent (i.e., intentionally inaccurate, rather than erroneous) invoices from a supplier;
- Known instances of corruption, deception or misuse by a supplier or partner;
- Any of the concerns listed in reference to WEP Staff Member.

If Staff Members become aware of a suspected fraud or corruption they should take note in writing of any pertinent details, including what was said or done by whom, the date, the time, the location and the names of the individual(s) involved. Staff Members **should not**:

- Contact the suspected perpetrator to get facts or demand restitution;
- Discuss the case facts or allegations with anyone outside of the organization;
- Attempt to personally conduct investigations or interviews.

7.2 WEP Managers' Responsibility

If informed of fraud/corruption, managers should listen carefully and, with respect to staff, ensure that every report is treated seriously and sensitively, and give every allegation a fair hearing. Managers should obtain as much documentation and information as possible regarding the alleged fraud, including any notes or evidence, and they should reassure Staff Members that the information they provide will be treated as confidential and they will be protected and will not suffer any reprisal for having reported allegations made in good faith.

Managers are required to prepare a written report of the details of any suspected fraud that has been reported to them, and provide it to the Finance Manager. Managers should not confront the alleged perpetrator or carry out an investigation themselves. Instead, the matter should be reported immediately to the Finance Manager. If the Finance Manager is unavailable, then the manager should report to the Executive Director and Management.

It should be noted that all managers should regularly review the control system in their area of work to satisfy themselves that they continue to operate effectively.

7.3 Internal Reporting

WEP Staff Members should report any suspected fraud to their line manager or directly to the Finance Manager by email, telephone or face-to-face, in order of preference. Please note:

- No time should be lost in reporting the suspected fraud;
- All information provided will be treated as confidential.

If the Finance Manager is not available Staff Members should report to the Executive Director and Management.

All reasonable allegations will be treated seriously and systematically, and will be properly investigated. The Finance Manager or Deputy Executive Director and Management will determine the need to involve WEP's legal adviser and Internal Audit in any investigation. During investigation, confidentiality, in so far as possible, will be maintained for all reports made in good faith. However, if criminal activity is to be reported to the police, the identity of the person reporting may eventually have to be disclosed to enable external investigators or the police to pursue criminal investigation effectively.

7.4 Details that should be included in a report of fraud

In order for investigations to be successful, complaints should be as specific as possible. To the extent possible, they should include details such as:

The type of alleged wrongdoing;

When, where and how the wrongdoing occurred; and

Who was involved and may have knowledge of the matters being reported.

Relevant documents or other evidence should be included with the report or provided as soon as possible. However, the absence of any of the above details does not prevent WEP from investigating allegations of fraud or corruption.

7.5 Confidentiality

Requests for confidentiality by persons making a complaint will be honoured to the extent possible within the legitimate needs of the investigation. All investigations undertaken are confidential. Information will only be disclosed as required by the legitimate needs of the investigation. Investigation reports are confidential.

7.6 Anonymous reports

Individuals wishing to protect their identity may report fraud anonymously. For anonymous reports, a report number and code are used to allow the individual making a complaint to follow up and to check if the assessing officer has requested further information.

8. Investigation of allegations

The Finance Manager after being informed of an allegation will make a preliminary assessment and determine the course of action appropriate to the seriousness of the alleged offence. As a matter of principle, once it is decided that an alleged fraud or corrupt practice needs to be investigated, then the Finance Manager will disclose all relevant information to the Management

The following are key steps in any process to substantiate any reported allegations a Board of Inquiry (BOI) will be convened to assist the Finance Manager in determining the nature and scope of the investigation process. The BOI will comprise three staff members (not including WEP's legal adviser and Internal Audit) who are selected by the Finance Manager each time there is an allegation of fraud. The persons selected for the BOI will vary depending on the expertise required in relation to the alleged fraud.

The allegation will be investigated and the individual(s) concerned informed of the allegations against him or her, and the course of action to be taken. At the same time the Finance Manager will ensure that all information in the possession of the individual suspected is secured for investigation. If appropriate to safeguard WEP during the investigation period, the individual alleged to have committed the fraud may be taken out of his/her position. This may mean the individual is put into another position, or put on leave with pay, leave without pay, or suspension.

8.1. Collect Evidence

Depending on the magnitude and the complexity of the offense, investigations will be carried either in-house by WEP's legal adviser and Internal Audit or by external parties such as external audit firms or where deemed appropriate, by the police. The involvement of external parties must be approved by the Management

9. Action

In all cases the course of action will be determined in consultation with the Management and WEP's legal adviser.

9.1 Disciplinary Action

Where an investigation reveals that a WEP Staff Member has committed fraud, the Management will pursue disciplinary or legal action. Disciplinary action for fraud or corruption, unless prevented by local legal restrictions, will result in immediate termination of employment and for Partners immediate termination or suspension of the Grant or contract.

Disciplinary action could also be brought against Line Managers whose failures have contributed to the commission of fraud/corruption or a Staff Member deliberately making an allegation in bad faith.

9.2 Other Potential Actions

- The Finance Manager, in consultation with Internal Audit, will mitigate the risk of future losses by immediately adjusting procedures in order to protect assets and to preserve evidence, including, if necessary, suspending payments (such as salary or invoices).
- The Finance Manager will inform relevant insurers immediately of any loss or damage to WEP insured property.
- Internal Audit will notify the External Auditors.

- Depending on the legal status of the WEP office, WEP may have a legal obligation to report the case to the appropriate government body in order to protect WEP's reputation or legal status.

9.3. Follow-up Actions

Following a case of corruption or fraud, the Management will ensure that all relevant managers and staff in the affected area are debriefed on the process and outcome of the investigation. There should also be a follow-up with the individual(s) who reported the initial suspicion of fraud, to provide assurance that their claims have been taken seriously.

Depending on the circumstances, the Executive Director will consider the need for communication with staff, donors and partners on a larger scale. The Executive Director will ensure that the organization conducts a thorough review of operating procedures in the areas affected by the fraud and that improvements are made where necessary.

Lessons learned will be disseminated throughout the organization, where applicable, to strengthen the system of internal control and to foster an anti-fraud culture.

9.4 Managing External Relations

In the case of substantiated fraud, WEP will take immediate steps to inform external stakeholders as appropriate. Where an investigation confirms that an act of fraud was committed, the Executive Director, in consultation with the Management will disclose the details of the fraud, the assets/resources affected, and the efforts being made to remedy the situation to any partner or donor with an interest in the affected area. This must be done in a timely manner and with great care to be transparent and responsible. WEP will release information only when it is approved by the Executive Director, in consultation with the Management and WEP's legal adviser.

10. Recovering Assets

Where WEP has suffered pecuniary loss or loss of other material assets, best efforts will be made to seek and obtain restitution from the individual(s) responsible for the corruption or fraud including taking legal action.

11. Related Policies for Further Guidance

The WEP Fraud and Corruption Prevention Policy is to be incorporated by reference into all instruments regulating the employment, contractual or institutional relationship between WEP and natural or legal persons, and is to be

read and applied in conjunction and consistency with the following resources:

- WEP Employment Policy.
- WEP Accounting Standards and Procedures.

12. Contact Details

For those people outside WEP wishing to report fraud or corruption the following contact details are provided:

Block E, Flat 2, Anambra Court, Guduwa Housing Estate, Gudu District, Abuja

E-mail: info@wepnigeria.net, wep2002@hotmail.com

Phone: +234 929 10878

REFERENCES

1. Global Alliance for Improved Nutrition (GAIN) Fraud and Corruption Prevention Policy and Whistle blower Mechanism.
2. UNDP policy against fraud and other corrupt practices.
3. WEP Staff Employment Policy