



EFICOR ANTI-FRAUD POLICY

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EFICOR ANTI-FRAUD POLICY

EFICOR is committed to being good stewards of the resources, which has been entrusted to it. To that end it seeks to portray its value of integrity in all its actions and reports, to be an organization that is accountable, transparent and ethical in its management and governance, and that retains the confidence and trust of its members, staff, supporting partners and other stake holders.

A. DEFINITION OF FRAUD

Fraud is defined as the use of deception by an individual staff or group of staff with the intention of obtaining an advantage for himself/ herself/ themselves or for a third party or parties, avoiding an obligation, or causing loss to another party.

The term fraud is used to describe offences such as, but not just limited to the following:

1. Forgery, falsifying cheques, bank drafts or any financial data.
2. Improprieties in handling or reporting of monetary transactions.
3. Authorizing or receiving payments for goods or services not received or rendered.
4. Receiving personal benefits from suppliers (kickbacks).
5. Falsifying timesheets or payroll records.
6. Falsifying expenses to be claimed from EFICOR and/or using organizational financial resources to pay for personal expenses.
7. Fictitious reporting of receipts from suppliers or consignments to supporters.
8. Misappropriation of funds, securities, supplies or any other asset.
9. Theft or intentional loss/misuse of any asset.
10. Misappropriation of the organization's computer hardware, software, data or other records.
11. Deliberate misreporting of information on documents.
12. Paying/receiving bribes.
13. Any violation of laws related to dishonest activities or fraud inclusive of extortion, deception, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts

EFICOR ANTI-FRAUD POLICY

and collusion.

14. Passing/copying on any (Classified / non-classified) data (soft copy) through any mode without appropriate approval / prior permission.
15. Allowing mediators with vested interests and placing orders through them instead of placing the order directly.
16. Delay in taking decision / initiating in time by the Management to show favouritism or vested interest leading to financial loss to the organization.

B. OUR BELIEFS

1. The Source of our Principles and Practices

- a. Our understanding, principles and practices of being just, transparent, accountable and trustworthy are guided by the Bible and the actions demonstrated by Lord Jesus Christ.
- b. In specific instances we stand to benefit by use of reason and law.
- c. Our actions will be based on appropriate inquiry and facts.

2. Our Values

- a. We are committed to good stewardship as we recognize that all resources belong to, and are a gift from God; that valuing, owning and managing these resources reflect our accountability towards God and His creation.
- b. We are committed to a life of integrity as we serve in varying contexts. We will be trustworthy and trust others, through openness, honesty, accountability and transparency in all our dealings and actions.

C. GOALS

EFICOR will

1. Maintain highest standards of openness, integrity and accountability in all its affairs (work and reports).
2. Inculcate among the staff and volunteers ethical values of stewardship and integrity and make staff aware of key fraud risks.

EFICOR ANTI-FRAUD POLICY

D. FRAUD PREVENTION

EFICOR will work along with the staff, Society and the Board members to promote and ensure that they are equipped to:

1. Understand EFICOR's Anti-fraud Policy.
2. Articulate verbally or in writing against fraud without fear or inhibition.
3. Have internal and external process for safe reporting of fraud (whistle blowing).
4. Establish operational practices that actively minimize the risk of fraud.
5. Undertake a fraud risk-assessment of their operating environment.
6. Develop and implement systems to effectively prevent, detect and investigate fraud.
7. Understand the appropriate disciplinary action to remedy the harm from fraud.
8. Map out the process for the recovery/compensation of funds lost via fraudulent activity.
9. Train organizational staff in fraud awareness and control activities.

E. FRAUD DETECTION

1. Any staff or volunteer who has knowledge of or suspects the occurrence of fraudulent activity should immediately notify their immediate supervisor or another senior EFICOR representative.
2. If the staff or volunteer has reason to believe that their supervisor may be involved in the fraudulent activity, they should immediately notify EFICOR's Executive Director. Should the suspicion involve the Executive Director or a member of the EFICOR Board, the Chair of the Governance Committee or the Chair of the Board should be notified immediately via email.
3. Anonymous Notification: If the staff or volunteer would like to report the knowledge or suspicion of fraudulent activity and remain anonymous, they should contact the Executive Director through the following means:
Email: kennedy@eficor.org, by phone ask for the Executive Director at: (+91-11-25516383/4/5) and can send by post addressed to the Executive Director marked "Strictly Confidential". They can also contact the Governance

EFICOR ANTI-FRAUD POLICY

Committee Chair person through the following means: Email: efi@swissmail.org, by phone ask for the General Secretary at: (+91-11-26431133/26423726)

The person revealing the fraud should provide as much information relating to the suspected fraudulent activity as possible, including:

- i. Names of those involved.
- ii. Location where the activity took place.
- iii. Date and time of fraudulent activity.
- iv. Description of fraudulent activity.

Once notified of the suspected fraudulent activity, the direct supervisor (where the activity has occurred within any EFICOR office) should immediately communicate the information to EFICOR's Executive Director or Chairperson Governance Committee who will take appropriate action.

EFICOR's Executive Director or Chairperson Governance Committee will communicate the information to the Audit and Risk Committee, and at an appropriate time, any relevant donors (should the fraudulent activity involve specific donor funds).

F. MANAGING FRAUD INVESTIGATIONS

Where fraud is alleged, suspected or detected:

1. A full investigation shall be undertaken, led by a team consisting of the Executive Director/ one Governance Committee member, personnel from Finance, Human Resource Development, one Manager. The team can also be constituted within the Management team taking into consideration the intensity of the Fraud reported.
2. Offenders shall, where deemed appropriate, be reported to the police. Employees or volunteers found guilty will be subject to immediate cessation of duties and/or employment.
3. Where possible and appropriate, funds or assets lost should be recovered from the offender.
4. Recovery can be through any of the following:
 - a. Criminal proceedings,
 - b. Civil proceedings, and/or
 - c. Administrative remedies

EFICOR ANTI-FRAUD POLICY

5. Process : The suspected staff / volunteer should be kept away (leave / suspension / transfer / reporting to HQ etc.) from the existing work place immediately after receiving suspicious call / letter / email in order to prevent the manipulation of evidence and to have fair investigation.
 - a. Seizing of official Mobile or any other communication modes including the backups or hard disks and official files.
 - b. Investigation report to be reported immediately after completion of their investigation.
 - c. Intimation to Enquiry committee without any further delay.
 - d. Enquiry should happen within a week time from the date of investigation report.
 - e. Proper action should be initiated based on the evidence / findings and suggestion from the enquiry committee immediately if it is proven or latest by a week.
 - d. Update the information on action taken in his /her personal file.
 - f. Communicate the outcome of the action to the concerned supervisor and the concerned staff.
 - g. If there is any financial & material recovery from the offended staff, the action taken to recover to be intimated to Finance/concern Unit for recovery.

At the end of each investigation, a summary of learnings should be produced and forwarded to the Risk Audit Committee and the Chairperson of EFICOR.

G.FRAUD INVOLVING EFICOR FUNDS AMONG PARTNERS

1. Notification of Fraudulent Activity

- a. If a partner suspects, or has actual evidence of, fraudulent activity, an authorized partner representative must immediately notify EFICOR.
- b. If fraud is reported to EFICOR, the concern Manager will consult with his/her respective Director, Director (RFD), and the Executive Director to determine a course of action. Except in cases where the allegations are judged to have no credibility, EFICOR will communicate directly with the partner organization's governing authority or an alternate authority and request that the allegations be considered and responded to.

EFICOR ANTI-FRAUD POLICY

- c. If staff of EFICOR suspect or have actual evidence of fraudulent activity within a Partner organization, the concerned Manager will consult with respective Director, Director (RFD), and the Executive Director to determine a course of action. EFICOR will communicate directly with the partner organization's governing authority or an alternate authority and request that the allegations be considered and responded to.

2. Notification Information

When a Partner launches their own fraud investigation into activity involving funds or capital items provided by EFICOR, or a project co-funded by EFICOR, they should provide EFICOR as much information relating to the suspected fraudulent activity as possible, including:

- a. Position of those involved
- b. Location where the activity took place
- c. Date and time of fraudulent activity
- d. Description of fraudulent activity
- e. How the fraud was discovered
- f. What has been done so far

3. Fraud Notification Escalation

- a. Once notified of a suspected fraudulent activity, EFICOR's Executive Director, respective Director, Director (RFD), concerned Managers will assess the fraud notification and determine the best way of supporting the partner.
- b. EFICOR will work closely with other co-funders and consider the possibility of a joint partner response.
- c. EFICOR's Executive Director will communicate the information to the Audit and Risk Committee, and inform any relevant supporting partners (should the fraudulent activity involve specific supporting partner's funds).

4. Managing Fraud Investigations

- a. Where fraud is alleged, suspected or detected, the Committee referenced in 3.a. will determine a course of action. This may include, but is not limited to, the following:

EFICOR ANTI-FRAUD POLICY

- i. Sending a staff member or an appointed consultant to visit the partner
 - ii. Discussing and mutually agreeing upon a course of action to address the fraud
 - iii. Discussing with co-funding partners the possibility of a joint response
 - iv. Requesting a financial status report
 - v. Requesting the Board to respond to the allegations
 - vi. Requesting the partner to refer the matter to the police
 - vii. Withholding the transfer of funds approved till matters are dealt with.
 - viii. Requiring the partner to freeze existing EFICOR funds held in their account till matters are dealt with.
 - ix. Requiring the partner to return existing EFICOR funds held in their account.
 - x. Requiring the partner to undertake an investigative financial audit periodically.
 - xi. Whether co-funding agencies should be informed of the allegations
- b.** Where possible and appropriate, EFICOR's Partner should attempt to recover funds or assets lost from the offender.
- c.** Recovery can be through any of the following:
- i. Criminal proceedings,
 - ii. Civil proceedings, and/or
 - iii. Administrative remedies
- d.** Investigation of Partner organization fraud may impact decisions for future funding. If the fraud case has not been resolved, the responsible units will be informed of alleged, suspected or detected fraud to determine its impact on continued financial support.
- e.** At the end of each investigation, EFICOR's Partner will be asked to share a summary of what the organization has learned from the case.

EFICOR ANTI-FRAUD POLICY

DECLARATION OF COMMITMENT

To be signed by all EFICOR staff (regular, contracted and project) and volunteers.
A copy will be kept on file at the appropriate EFICOR office or personnel file.

I declare that:

1. I have **read** and **understood** *EFICOR Anti-Fraud Policy*.
2. I will **work within the procedure** as laid out in *EFICOR Anti-Fraud Policy*.

Name : _____

Signature : _____

Date : _____

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