

Table of Contents

S.No	Particulars	Page No.
1.	Objective	2
2.	Applicability	2
3.	Effective date	2
4.	Definition of Fraud	2
5.	Obligation to report fraud	3
6.	Procedure to report fraud	3
7.	Process upon receipt of the complaint	4
8.	Investigation team	5
9.	Actions following proven fraud	6
10.	Recovery of losses	6
11.	Confidentiality	6
12.	Whistleblower	7
13.	Suspected fraud by unpaid volunteers or partners	8
	Annexure 1	9

B-7^l



1. Objective

The objective of Pratham's Anti-Fraud Policy (hereinafter referred to as "Policy") is to minimize the risk of fraud and to lay out the actions to be taken when any suspected fraud is reported, discovered, or proven.

2. Applicability

The Policy is applicable to all Pratham personnel (full-time and part-time employees, consultants, including ex-employees and ex-consultants), vendors, volunteers, interns, or any individual/organization rendering paid services to Pratham. The policy also includes measures to be taken in instances of fraud committed by unpaid volunteers and partners that harm Pratham's finances, reputation, or integrity.

3. Effective date

This policy comes into effect from 1 July 2024.

4. Definition of Fraud

The definition of fraud in the context of this policy is *an act of false representation or concealment of a material fact or any other illegal act committed intentionally, with intent to deceive, to cause wrongful gains to self or others, and /or wrongful loss to Pratham and others.*

Fraud includes, but is not limited to:

- Forgery or alteration of documents with an intent to deceive;
- Misappropriation of Pratham's property for personal gain;
- Deliberately altering or reporting incorrect financial or personal information;
- Seeking or accepting gifts from vendors, consultants or contractors doing business with the organization¹;
- Unauthorized use of Pratham's property, letterheads, equipment, material or records for personal advantage or gain and/or the usage leading to wrongful loss to Pratham;

¹ Orientations will be conducted with central and state leadership and working groups to help them take appropriate decisions and actions when vendors provide or offer to provide gifts such as diaries.



- Authorizing or receiving payment for goods or services not received or performed;
- Authorizing or receiving payment for time not worked, except in case of approved leaves and holidays;
- Any claim for reimbursement of expenses that are not incurred towards providing services for the organization;
- Fabrication or falsification of data;
- Plagiarism;
- Bribery;
- Identity theft;
- Embezzlement

5. Obligation to report fraud

If a staff member has reasons to believe that a fraud is being committed or has any information pertaining to a matter of fraud, it shall be obligatory for the staff member to report the same.

6. Procedure to report fraud

- An individual who is aware of or suspects fraudulent activity should promptly report, verbally and/or in writing, such activity to the state/program working group. The individual can take support and guidance from their supervisor, if needed, to report the matter to the working group.
 - If the suspicion/allegation involves a working group member or there is a perceived conflict of interest with a working group member's response to the case, the matter should be reported to the state head. However, in this case, the state head must immediately escalate it to the Head of Finance and Accounts and not deal with the matter themselves.
 - If the suspicion/allegation involves the state head or there is a perceived conflict of interest with the state head's response to the case, the matter must be reported to the Head of Finance and Accounts.
 - If the individual who suspects fraud is uncomfortable reporting the matter to the state working group/state head, he/she has the option to directly report the matter to Head of Finance and Accounts.
 - If an individual believes that the fraud has occurred at the central level, he/she should

B-7^c



report the matter to Head of Finance and Accounts.

- If the complaint is regarding the Head of Finance and Accounts, or there may be a perceived conflict of interest from the perspective of Head of Finance and Accounts in dealing with the matter, the complaint must be addressed to the Chair, Apex Committee.
- The complaint must be made in a written manner; if the complainant is not comfortable making a written complaint, they may discuss it with the person(s) whom they are sharing the complaint with (working group/Head of Finance and Accounts, as relevant) but eventually, a written complaint will need to be filed before further action can be taken.
 - If the overall suspected amount of fraud is less than Rs 25,000, the state working group can deal with the matter, **only** after information has been provided to the Head of Finance and Accounts **in writing**.
 - If the overall suspected amount of fraud is greater than Rs 25,000, the state working group/state head must immediately escalate the complaint to Head of finance and Accounts, who should then plan the necessary course of action.
 - If the suspected fraud is non-financial in nature (such as data forgery or identity theft), the state working group/state head must immediately escalate the complaint to Head of Finance and Accounts, who should then plan the necessary course of action, in coordination with relevant unit heads.
- An individual who reports a suspicion of fraud regarding another individual or the organization in good faith, will in no circumstances be threatened, intimidated, or dismissed because they acted in accordance with this policy. Further, they shall be provided with adequate protection from any undue bias for further growth opportunities and any other negative repercussions, partly or wholly motivated by retaliation for reporting of the suspected fraud.

6. Process upon receipt of the complaint

- Upon receiving the complaint, the individual/team receiving the complaint (*working group/Head of Finance and Accounts/ the Apex Committee as the case may be*) must acknowledge in writing its receipt within five (5) working days. If the working group/Head of Finance and Accounts/the Apex Committee determine that the complaint warrants no

Bis 7



further action, the reasons must be shared with the complainant in writing within fifteen (15) working days of receipt of the complaint.

- If the complainant is not satisfied with the response to the complaint, they may escalate it to the next level - Head of Finance and Accounts or Apex Committee (as applicable). *Contact details of the Apex Committee are included in Annexure 1.*
- If the individual/ team receiving the complaint (*working group/Head of Finance and Accounts/ the Apex Committee as the case may be*) determines that an investigation is warranted, an investigation team shall be formulated. This must be done within twenty-one (21) working days of receipt of the complaint.
- If the fraud is of a non-financial nature, such as related to data falsification or plagiarism, the working group/Head of Finance and Accounts/Apex Committee shall loop in relevant unit heads to plan the next course of action.
- The working group/Head of Finance and Accounts/Apex Committee shall log all complaints received regarding fraud and actions taken in each case. If a complaint was not investigated upon, the reasons for not doing so must also be documented and shared with the complainant.

7. Investigation Team

- The investigation team will be responsible for collecting all relevant information with respect to the alleged fraud. The investigation team will have:
 - free and unrestricted access to all Pratham records and premises, whether owned or rented; and
 - 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 may use or have custody of any such items or facilities, within the scope of the investigation.
- The investigation team will call upon the individual(s) suspected of alleged fraud to depose before it and explain their position.
- Depending on the nature and seriousness of the alleged fraud, the investigation team may consult with, or engage the services of, any other person (such as technical experts with IT or accounting skills) as well as external agencies (e.g. the Police).
- If the investigation team concludes that the evidence it has collected does not support the allegation of fraud, that outcome shall be reported confidentially to the individual who

Bs-7^L



was suspected of fraud and to the complainant. A confidential report will be provided to the individual/team who set up the investigation (working group/Head of Finance and Accounts/Apex Committee) and the higher levels in the escalation chain, within twenty-one (21) working days of the investigation team being formed. The report shall set out the investigation process undertaken, conclusions reached, recommended improvements to internal controls, and suggested action against perpetrator(s).

8. Actions Following Proven Fraud

Where a suspected fraud is proved, Pratham shall take the appropriate action against the offender. Actions against employee(s) and consultants may include warning, suspension without pay, loss of pay, termination, and filing of charges with the police. Actions against vendor(s) may include termination of contract, financial penalties, recovery of funds, and filing of charges with the police.

In addition, the leadership will:

- Direct the management of the area where the fraud has taken place to put controls into place to mitigate further losses and prevent the recurrence of similar misconduct.
- Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.

The CEO will report cases of fraud to the Board, as considered relevant for the Board, and actions taken thereafter, including measures to strengthen internal controls and compliances.

9. Recovery of Losses

In cases of proven fraud, Pratham will make possible and reasonable efforts to recover losses. The amount of any loss will be quantified as far as possible and repayment or reparation will be sought, as considered appropriate.

10. Confidentiality

Maintaining the confidentiality of the complainant, the complaint and the alleged perpetrator is crucial to prevent undue reputational harm or retaliation. The following safeguarding measures will be taken in this regard by the working group, Head of Finance and Accounts, Apex Committee as relevant:

- Immediately upon receiving the complaint, direct the complainant to neither discuss the

BSi 7¹



complaint with anyone nor discuss the name of the complainant or the details of the complaint with any party, other than the Investigation team.

- Conduct all correspondence with the complainant regarding the complaint in strict privacy.
- Discuss measures to ensure there is no unwarranted access to the email account or phone of the complainant.
- Ensure all members of the investigation team sign and adhere to a Non-Disclosure Agreement.
- Take strict and decisive action against anyone who makes an unauthorized effort to coerce the complainant to disclose their identity or the details of the complaint, or makes any direct or indirect threats against the complainant.

11. Whistleblower

“Whistleblower” means any personnel making a protected disclosure under this Policy of illegal activity or conduct of any person(s) associated with Pratham which has negative repercussions on Pratham’s finances, reputation, legal compliances, or integrity of operations. Therefore, a whistleblower is a person who comes forward and shares their knowledge on any wrongdoing which they think is happening within Pratham or outside which may lead to an adverse impact on Pratham or which is in contravention to laws and/or the organizational integrity. A whistleblower could be any Pratham personnel, contractor, supplier, or anyone associated with Pratham in any manner, who becomes aware of any illegal activities.

Much of this policy details how whistleblowers can make a complaint against suspected unethical/illegal activities and how they should be dealt with. In case, an individual(s) has an allegation of illegal conduct against the organization, as such, or its leadership, rather than against any individuals in particular, they can make such a complaint, in a written format, to the Apex Committee. The timelines for responding to and investigating the allegations are similar to those outlined earlier: five (5) working days for acknowledging receipt, fifteen (15) working days to respond to an allegation(s) that does not warrant any further action by the Committee (*this may also include redirecting the complaint to Head of Finance and Accounts if it is considered appropriate to do so*), twenty-one (21) working days to form an investigation team and further twenty-one (21) working days for the team to submit a report regarding the results of inquiry into the allegations.



For allegations against the organization or its overall leadership's conduct, the investigation team must mandatorily include at least two individuals external to the organization, and with no financial stakes in the organization. Further, the investigation team must directly submit its report to the Audit Committee of the Pratham Board, which may then plan further course of action.

12. Suspected fraud by unpaid volunteers or partners

While the rest of the policy elaborates on how fraud allegations against the organization's employees, consultants, leadership, vendors, and other stakeholders providing paid services to Pratham should be dealt with, fraud committed by unpaid volunteers or partners also can have serious implications for Pratham's finances, compliances and integrity. Such fraud may include, but is not limited to, data falsification, collecting fees from communities in return for work done by them as unpaid volunteers of Pratham, and misappropriation of Pratham's assets such as tablets.

State and program leadership must regularly orient Pratham volunteers and partners on the significance of data and operational integrity, and how these values are integral to Pratham.

Any suspected fraud by volunteers or partners must be looked into immediately. When such a fraud is proven, engagement with the volunteer must be immediately terminated. Further, the name(s) of such volunteers should be provided to the state leadership, such that no engagement with them in future programs happens. In case of suspected fraud by partner organizations rendering unpaid services or any fraud committed by volunteer(s) that can have financial or legal consequences for Pratham, the matter must be immediately reported to the Head of Finance and Accounts and/or the CEO for guidance on further action.

B-7^c



Annexure 1

Pratham Education Foundation Apex Committee

Name	Email Id	Mobile Number
Ms. Farida Lambay (Chairperson)	faridalambay@pratham.org	9820098085
Mr. Kishor Bhamre	kishor.bhamre@pcvc.org	9769761882
Ms. Renu Seth	renu.seth@pratham.org	9328943168
Mr. Balvinder Singh	balvinder.singh@pratham.org	9810893363
Ms. Manjeet Kaur	manjeet.kaur@pratham.org	9810091880
Ms. Sujata Mehra (External)	sujatamehra1@gmail.com	9810150677

B-7^L

