

RPC Fraud Control and Anti-Corruption Policy^{*}

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Introduction

The Rural Poultry Centre in Malawi (RPC) is a local NGO incorporated under the Trustees Incorporation Act of 1962. It is registered by the NGO Board of Malawi under the NGO Act of 2001. It is a member of the Council for NGOs in Malawi (CONGOMA). RPC is under the overall control of a Board of Trustees which oversees the overall governance and policies of the organisation.

RPC exists to promote the needs of smallholder poultry farmers throughout Malawi and to raise livelihoods and contribute to improved nutrition in rural areas of Malawi. RPC adopts a keep-it-simple philosophy with an emphasis on effective support at the grass roots level.

The Rural Poultry Centre has a zero tolerance¹ approach to fraudulent or corrupt activity or behaviour.

Purpose

This policy aims to minimise any risk of wrongdoing, corruption, fraud, bribery or other financial impropriety among RPC's Board, staff, contractors, consultants, volunteers and partner organisations.

Guiding Principles

This policy is based on the following principles:

- accountability to all stakeholders;
- building trusting relationships with communities; and
- honesty and transparency in all dealings.

Definitions

For the purposes of this policy:

- **Fraud** is defined as dishonestly obtaining a benefit, or causing a loss, by deception or other means.
- **Corruption** is defined as an abuse of a position of trust in order to gain an undue advantage. This includes financial corruption such as fraud, bribery and extortion; but also non-financial corruption.
- **Bribery** is a form of corruption. It is a specific offence that concerns the practice of offering or accepting money, gifts or other advantage to gain an illicit advantage. Bribery, including provision of 'facilitation payments', is a crime in most countries and under the UN Convention against Corruption.
- **Partners** are individuals, groups of people or organisations that collaborate with or are contracted by RPC to achieve mutually agreed objectives in development activities.

Actions constituting fraudulent and/or corrupt behaviour may include, but are not limited to:

- Misappropriation of funds;
- Theft of funds or any property;
- Removal, misuse or destruction of assets;
- The offering or taking of inducements, gifts or favours which may influence the action of any persons;
- False accounting - dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting purpose; or furnishing information which may be misleading, false or deceptive;

¹ Zero tolerance means that *all* allegations or reports of impropriety involving RPC personnel *will be followed up* and investigated to determine whether further action is warranted.

- Unauthorised disclosure or manipulation of sensitive information linked to the theft of information, money or property;
- Forgery or unauthorised alteration of any document;
- Procuring goods and/or services from a family member or friend that inhibits fair and open competition;
- Avoiding and/or creating an unauthorised liability;
- Wrongfully using information or intellectual property; and/or
- Not declaring a conflict of interest.

Scope

This policy applies to all RPC Board members, staff, contractors and consultants, partners, and volunteers.

Policy statement

RPC is committed to the prevention of fraud and corruption through the promotion of an ethical and transparent environment where all personnel actively participate in protecting the organisation's reputation and resources. RPC promotes a culture of trust, honesty and integrity and has a duty to protect any personnel who report breaches of its fraud policy.

All personnel will:

- Conduct themselves with integrity and demonstrate awareness of the importance of ethical practices;
- Ensure that they are familiar with and comply with RPC's Code of Conduct and ACFID's Code of Conduct;
- Develop and maintain effective controls to prevent fraud and avoid corrupt practices;
- Ensure they are familiar with, and comply with fraud prevention procedures in their areas of responsibility; and
- Report any suspected fraudulent or corrupt acts as outlined in this policy.

RPC's prevention approach to risk management of fraud is articulated within the RPC Organisational Risk Assessment and Management Strategy.

Responsibilities

All RPC personnel are responsible for ensuring that they are familiar with and comply with fraud and anti-corruption policies and procedures. This involves conducting themselves in a way that avoids financial wrongdoing of any kind, demonstrating awareness of prevention of financial wrongdoing and reporting all suspected cases of financial wrongdoing and corruption as soon as possible in line with this policy and procedure.

The RPC Director in consultation with the Board of Trustees, is responsible for the administration, interpretation, and implementation of this policy and for advising on the need to review or revise this policy as and when the need arises.

Where issues related to compliance to this policy are identified, the Director will work with staff and other relevant stakeholders to address these issues promptly. The policy will be reviewed every five years and revised as needed, with the approval of the Board.

Legislative Framework and Standards

RPC acknowledges the following Malawi legislation and bench-setting frameworks:

- The Corrupt Practices Act of 1996
- The Financial Crimes Act of 2017
- Kyeema Foundation Fraud Control and Anti-corruption Policy 2016²
- The Financial Crimes Act of 2017
- Fraud and corruption prevention and control policy of the International Federation of Red Cross and Red Crescent Societies³

2 <https://kyeemafoundation.org/wp-content/uploads/2021/09/Fraud-Control-and-Anti-corruption-Policy-2021.pdf> Accessed 26 August 2023

3 https://www.ifrc.org/sites/default/files/IFRC-Fraud-and-Corruption-prevention-and-control-policy_English.pdf Accessed 26 August 2023

Attachment 1: Procedures

These procedures:

- Outline the internal mechanisms for risk management in relation to prevention of fraud and for detecting fraudulent activity when it occurs;
- Summarise the responsibilities of personnel, from both RPC and partner organisations, in identifying fraudulent and corrupt activities;
- Guide personnel, from both RPC and partner organisations, on the actions to be taken where they suspect any fraudulent or corrupt activity;
- Provide direction for initiating investigations into fraud related activities, including the protection of persons who report, witness, or are accused of fraud; and
- Provide surety that RPC and partner organisations will fulfil their obligations under the relevant Partnership Agreement, and relevant legislation.

1. Prevention and Training

Fraud awareness-raising and training underpin fraud prevention and detection.

RPC instructs all personnel about fraud risks and their responsibilities for fraud control and ethical behaviour during the induction process. Targeted training on risk and control will be provided for new personnel and refresher training for current personnel to support compliance with this policy.

RPC will also ensure that personnel of partner organisations understand their responsibilities in relation to fraud prevention and management, and where practicable, will be supported in strengthening implementation practice.

As a fixed step in RPC's recruitment procedures, all newly appointed staff are required before beginning duties, to read and acknowledge receipt of RPC's Code of Conduct and linked policy documents including:

- Child Protection Policy
- Policy on Prevention of Sexual Exploitation, Abuse and Harassment (PSEAH)
- Fraud Control and Anti-Corruption Policy

2. Risk management

The Director, in consultation with personnel, will assess the risk of fraud through the use of the RPC Organisational Risk Assessment and Management Strategy.

The RPC Board will monitor annual risk assessments to identify the high risk areas, and apply appropriate strategies to reduce risk. These strategies may include internal controls, quality assurance procedures, program checks or data collated from RPC activities. RPC personnel will work with partner organisations to identify risks in-country and provide assistance to address these risks if required.

In case of engagement with new partners, RPC personnel will conduct a risk assessment of the proposed partner organisation applying corporate governance principles of accountability, responsibility, transparency and fairness. Annual partnership assessments and financial monitoring will be conducted to monitor and manage risks on a systematic basis.

3. Reporting and response

Fraud is a criminal offence and is subject to prosecution by local authorities. If fraud is detected it will be reported promptly to the relevant authorities in line with the laws of Malawi.

The Director is responsible for all fraud responses and any final decision regarding disciplinary action. The Director must inform the Board of Trustees as soon as practicable of any fraudulent activity.

All personnel who detect or suspect fraudulent behaviour by or against RPC or its partners must report the same to their manager or the Director immediately. All reports must be made in good faith (that is, reasonably believing it to be true and without malice). RPC will protect individuals who report in good faith from harassment, discrimination or adverse employment consequences.

RPC will treat all such reports in a confidential and sensitive manner. RPC will do everything reasonably practicable to ensure that the identity of any person who has made disclosures is kept secret so long as it does not hinder or frustrate the investigation. In some circumstances however, the investigation process may reveal the source of the information and the individual making the disclosure may need to provide a statement (for example, where the investigation leads to charges being made in court, where the nature of the allegations is such that the identity of the person can be deduced from the information made available).

Where a suspected fraud relates to donor funds, contractual obligations with many donors (such as government aid funds) require RPC to report this immediately. The Director is responsible for such reporting.

All personnel, from both RPC and partner organisations, that detect or suspect fraudulent activity, should:

- Provide their manager in writing with the details of the allegation of fraud immediately (who must then immediately bring the issue to the attention of the Director) or request an interview with the Director.
- Document the complaint. Where possible, this should include details such as:
 - description of alleged wrongdoing;
 - where and when these events occurred;
 - who is involved and who has knowledge about the matters being reported;
 - how the individual, organisation or company committed the alleged wrongdoing; and
 - additional information or evidence (for example, documents) for assessment should be included with the report (if available) and sent as soon as possible.
 - The documentation should not include speculation.
- Not contact the suspected individual in an effort to determine facts or demand restitution; and
- Not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Director.

The Director will investigate and respond to the matter, guided by the following (taking into account any applicable contracts, agreements or laws):

- assess the need for an independent internal investigation and if so, who should undertake it in line with rules of corporate governance;
- identify protection requirements or issues in relation to the reporting person(s) or the alleged offender;
- consider and consult with the Chairman of the RPC Board of Trustees regarding the matter and the need for legal advice;
- oversee the investigation;
- report to the donor as required by applicable contractual agreements and compliance requirements after the investigations are completed and the report has been endorsed by the Board of Trustees;
- if appropriate, refer the matter to police (once the Board has been informed);

- consider appropriate disciplinary action against the person being investigated after the matter has been investigated and the person has a chance to put forward a defence and found guilty of the alleged offence. The disciplinary action should be in line with the appropriate statutes and guidelines to avoid any litigation arising from a perceived unfair punishment;
- initiate steps for recovery;
- provide prompt feedback to the reporting individual acknowledging that the concern was received and responded to;
- make any necessary changes to procedures, particularly delegations and risk management to halt further fraud or similar frauds from occurring in the future;
- keep appropriate records, in confidence, of fraud, investigations and outcomes including lessons learnt; and
- quantify any material financial implications in the annual accounts.

4. Breaches of this Policy

Breaches of this policy are likely to result in disciplinary action, up to and including dismissal, and/or closure of partnership agreements.

Related documents

- RPC Code of Conduct
- RPC Recruitment Policy
- RPC Policy on Prevention of Sexual Exploitation, Abuse and Harassment (PSEAH)
- RPC Guidelines Regarding Complaints or Grievances

Acknowledgement Form:

This acknowledgement form must be signed by the employee, detached from the body of the document and kept on the RPC personnel file for the employee.

I acknowledge that I have received a copy of the Rural Poultry Centre's Fraud Control and Anti-Corruption Policy and that I have read and understood the documents. I have an understanding of the organisation and its expectations in terms of standards of conduct in the context of the position to which I have been assigned.

Full Name	
Signature	
Date	
Position	
Supervisor/manager	

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