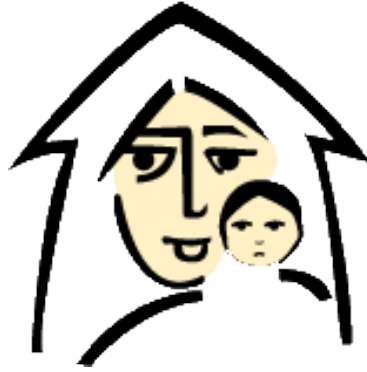


Counter-fraud and Anti-corruption Policy of

MUKTI NARI-O-SHISHU UNNAYAN SANGSTHA
(MNSUS)



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List of Abbreviation

MNSUS	Mukti Nari-O-Shishu Unnayan Sangstha
DFID	Department for International Development
SIDA	Swedish International Development Agency
EU	European Union
GCERF	Global Community Engagement and Resilience Fund
ICAB	Institute of Chartered Accounts of Bangladesh
NGO	Non-governmental Organization
SMT	Senior Management Team

About MuktiNari-O-ShishuUnnayanSangstha, Kushtia

MuktiNari-O-ShishuUnnayanSangstha is a non-government, non-political and non-profitable voluntary organization which has been working since 1990. Mukti is fully concerned with helpless poor communities and promotes sustainable development by creating opportunities through active participation of the stakeholders and beneficiaries. Its activities has so far been centered round the destitute and distressed people who are the victims of poverty, illiteracy, dowry, fatwa, polygamy, early marriage, domestic violence, illegal divorce and torture in its working area. Mukti's programs are focused on law awareness and provides legal aid, Mediation, counseling, Protection Child Marriage, prevention of Human trafficking of women and children, shelter for the rescued victims, education, maternal and child health care (MCH), Family planning, Leprosy, combating HIV/AIDS, good governance, health and sanitation development of people and also working for disabilities, sustainable agriculture, anti-tobacco movement, networking, Women Empowerment and child sponsorship.

Mukti started its journey with a vision to establish an exploitation-free just society for women, men and children in the area of human rights focusing women and children's rights in creating congenial atmosphere for women development through ensuring good governance and developing skilled human resource with the motto **"Every woman is an equal partner in development"**.

Vision of the Organization

To establish an exploitation free just society for women, men and children.

Goal of the Organization

To establish human rights focusing women and children's rights and a congenial atmosphere for woman development through ensuring good governance and developing skilled human resource.

Objectives of the Organization

- To enable people especially women and children to defend their legal and human rights at the local level;
- To increase awareness towards ensuring accountability at the local level decision-making processes and services;
- To develop human resources and improve livelihood.

1. Title and Application

This Policy shall be called as the **Counter-fraud and Anti-corruption Policy of MNSUS**

- The rules and regulations of this Policy will be effective from the date of approval By Executive Committee of MNSUS. These rules and regulations shall apply to all employees and project beneficiaries of the organization irrespective of grade, position and category of employment.
- Process for updating this Policy The Executive Committee of MNSUS have the right to modify, amend, replace, revise and or add provisions of this Policy in such a manner and to such extent, as they may deem appropriate to meet the demand of the time and the interest of Mukti. All the amendment/addition/deletions need the approval from the Executive Director or designate of the organization.
- Any change or modification / amendment, as approved by the Executive Committee shall be circulated through inter-office memo / circular under the signature of the ED of the Executive Committee or his/her designate.

Revision, with the approval from Executive Committee of Mukti Nari-O-Shishu Unnayan Sangstha (MNSUS). shall be incorporated in the revised version of the Counter-fraud and Anti-Corruption Policy of MNSUS

2. Introduction:

MNSUS is committed for protecting the donor fund to which it has been entrusted and to uphold the highest standards of financial policy and accountability. The minimization of loses to fraud and corruption is essential for ensuring that donor funds are used for community level intended development purpose. Our donors as well as stakeholders expect MNSUS to conduct its affairs with integrity, honesty and openness and demand the highest standards of conduct from those working with MNSUS

MNSUS is determined to maintain its reputation, which will not tolerate fraud and corruption or abuse of position for personal gain.

This policy outlines the commitment of MNSUS to create an anti-fraud and anti-corruption culture and maintaining high ethical standards in the administration of organization resources.

The policy is based on a series of comprehensive and inter-related procedures, designed to prevent, detect and deter fraud and to take effective action against any attempted or actual fraudulent act affecting MNSUS. This policy also satisfies the legislative requirements of having effective arrangements for tackling fraud and confirms with professional guidance laid down by the Institute of Chartered Accountants of Bangladesh (ICAB) in their Code of Practice for Audit in Bangladesh.

The purpose of this policy statement is to set out for MNSUS the main principles for encountering fraud and corruption. We, the employees of MNSUS play role in counter-fraud initiatives. This includes providing a corporate framework within which counter-fraud arrangements will flourish, and anti-fraud culture across MNSUS will be developed This employee initiative provides a sound defense against internal and external abuse of MNSUS fund.

3 Relevant Definitions

3.1 Fraud

Fraud is the intentional alteration of financial information or other records by persons internal or external to the organization, which is carried out to conceal the misappropriation of assets or otherwise to gain illicit advantage. Fraud covers a range of practices including:

- False representation
- Hiding information

3.2 Corruption

Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person. Corruption, associated with other unethical behaviors, covers a range of practices including:

- Conflict of Interest
- Fraudulent Commission
- Undeclared Gift
- Bribery
- Misappropriation of Fund
- Abuse of Authority
- Undeclared Nepotism and favoritism

4 Scope:

This policy outlines the approach of MNSUS for dealing with the threat of fraud and corruption, both internally and externally. It applies to all parties work for MNSUS which includes:

- Procurement Providers

- Contractor
- Consultants
- Suppliers
- Partner NGOs
- MNSUS Employees
- All other relevant parties

- 4.1 Where relevant, MNSUS will include appropriate clauses in its contracts with partner NGOs, vendors, suppliers and all other third parties about the consequences of fraud and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and may lead to disciplinary measures.
- 4.2 In respect of employees, MNSUS disciplinary rules are such that fraud and corruption are considered to be gross misconduct and if proven, would normally result in dismissal.
- 4.3 Nevertheless, MNSUS cannot be solely responsible for preventing and fighting against fraud and corruption within its operational ambit. With regard to its activities, MNSUS takes adapted measures in keeping with its due importance and means, giving priority to the personal safety and security of its employees.
- 4.4 Furthermore, in its effort to fight against fraud and corruption, MNSUS is careful not to encourage a general environment of suspicion and mistrust amongst persons work with MNSUS

5 Culture against Fraud and Corruption:

MNSUS constitution, mission and strategy, as well as its operating rules and internal control procedures, reinforced by this anti-fraud and anti-corruption policy are the main interference documents for MNSUS

Responsibility for an anti-fraud culture is a joint duty of all those involve in giving direction, determining policy, management and employees. MNSUS strategy is directed against fraud and corruption whether it is attempted against MNSUS from outside or from within own workforce of MNSUS.

MNSUS expects that employees and management at all level will lead by example in ensuring adherence to legal requirements, standing orders, and financial regulations, codes of conducts, procedures and practices.

5.1 Involvement of All

MNSUS management at all levels, upholds management practices which reduce to the greatest possible extent the opportunities to commit acts of fraud and corruption. They are specifically responsible for identifying the type and level of risk to which our

activities and resources are exposed. They also have managerial responsibilities for internal control.

They are advised on this matter by the different support services specialized in these areas. Policy cooperation recognizes the involvement of all the sections and team within the organization who are notably responsible for:

- Carrying out risk evaluation and internal control
- Implementation and management of programs and support services.
- Coordination and enforcement of different fraud and corruption prevention measures.
- Management of risk monitoring tools and of incidents relating to cases of fraud and corruption.
- Measures to support, guide and ensure personnel take on board the issues relating to fraud and corruption control within the framework set out by MNSUS.

5.2 Employee Screening:

- 5.2.1 MNSUS recognizes that a key preventive measure is to take effective steps at the recruitment stage to establish staff level honesty and integrity as far as possible.
- 5.2.2 Recruitment and selection policy of MNSUS contains appropriate safeguards such as taking up written references and verifying qualifications held.
- 5.2.3 Criminal records will be taken into account where the conviction is relevant.
- 5.2.4 After starting at MNSUS, employees are brought to their manager's attention any new criminal convictions.

5.3 Expectation from Employees:

- 5.3.1 Employees will act with integrity, honesty and propriety in all their dealings as an MNSUS representative and lead by example.
- 5.3.2 Carry out their duties to the best of their ability for the interest of MNSUS and not to take advantage of any situation for personal gain, for themselves, members of their family or friends.
- 5.3.3 Take the risk of both internal and external fraud seriously and to follow systems and procedures designed to prevent or detect fraudulent activity.
- 5.3.4 Secure all passwords, information, documents, money, equipment etc. in employees' control which can be stolen or used to perform fraud.

As part of this culture, MNSUS will provide clear routes by which concerns can be raised by both employees and management.

- 5.3.5 Senior management is expected to deal swiftly and firmly with those who defraud MNSUS and who are corrupt.
- 5.3.6 MNSUS, including members and senior management should be robust in dealing with financial malpractice.

5.3.7 MNSUS has in place both the internal and external audit which reviews the activities including reports of any significant investigations and the management response to those recommendations.

5.4 Internal Audit.

MNSUS hires an internal audit team who carry out reviews of the adequacy of controls in systems to prevent fraud, amongst other risk, and report on control weakness found. They also test aspects of governance culture that are being relied on to prevent and detect fraud.

5.5 External Audit.

Part of external auditor's statutory duties is to ensure that MNSUS has adequate arrangements in place for the prevention and detection of fraud and corruption. Complaints of fraud and corruption can be taken directly to external auditor.

6 MNSUS programmatic approach against fraud and corruption:

MNSUS adopts a programmatic approach for preventing and fighting fraud and corruption, based on an analysis which considers:

- The risk specifics to each of its partner NGOs.
- The risks inherent in each function exercised by its employees.
- The risk related to each sector of activity in its intervention settings.

To monitor the risk of fraud and corruption, MNSUS uses internal tools and mechanisms.

6.1 Partner NGO's Periodical Risk Assessment

At partner NGO level, periodical risk assessment following a prescribed checklist enables MNSUS to place the main focus of its anti- fraud action on partner NGOs exposed to ascertain level of risks. Priorities are then determined according to level of risk, size of budget and value of resources invested per NGO, program and activity.

6.2 Financial Monitoring to Partner NGOs

MNSUS conducts regular intensive financial monitoring visit to partner NGOs and formally report to management. If any misappropriation is observed, disciplinary action is taken by MJF management considering the gravity of observation.

6.3 Partnership Management

MNSUS takes all the necessary information, risk management, support and monitoring measures called for by this policy in its relation with its operational partners within the framework of partnership agreement and partnership management policy.

6.4 Application of Best Practices

MNSUS assumes its responsibility as a non-governmental organization engaged in development activities and applies best practices to control fraud and corruption considering its changing modes and techniques. MNSUS is-

- Concerned by the professional ethics in NGO sector.
- Working continuously to ensure that best practices are applied to its operation and activities.

7 Raising Concerns

Although this document specifically refers to fraud and corruption, it equally applies to all financial malpractices. This includes a wide range of irregularities that are financial. It includes, for example, the criminal acts of theft of property which include all assets and cash; false accounting; obtaining by deception; pecuniary advantage by deception; computer abuse and computer crime. It also includes bribery.

- 7.1 Employees of MNSUS are an important element in MNSUS's stance on fraud and corruption, and they are positively encouraged and expected to raise any concerns that they may have on these issues where they are associated with activities of MNSUS.
- 7.2 Employees should normally raise concerns through their immediate manager, however it is recognized that they may feel inhibited in certain circumstances. In this case, employees should contact with higher management, director- Finance & Administration and Executive Director.
- 7.3 MNSUS gives a guidance on how to raise concerns and give supports and safeguards to those who raise concerns.
- 7.4 Concerns will be treated in confidence, properly investigated and dealt with fairly. All concerns of fraud and corruption will be investigated.
- 7.5 This is, of course, a need to ensure that any investigation process is not misused, therefore, any internal abuse, such as raising malicious or vexatious allegations, may be dealt with as a disciplinary matter.
- 7.6 Disciplinary action against fraud and corruption will be taken as per MNSUS **Steps towards Irregularities** policy.

8 The Responsible Officer

8.1 Responsible Officer- Finance & Admin.

Finance and Admin is nominated as Responsible Officer. He has responsibility for anti-corruption policy and strategy. He is responsible to ensure that MNSUS has adequate control system and measures in place to enable the prevention and detection of incurrance and fraud. This counter-fraud and anti-corruption policy statement and strategy helps towards discharging part of this responsibility. He is responsible to

maintain an adequate and effective system of internal audit of MNSUS accounting records and control system. He has the statutory rights of access to documents, records, information and explanations if he considers necessary for that purpose.

8.2 Role of SMT

This policy will be coordinated, monitored, assessed and updated at SMT as delegated by Executive Board.

SMT holds responsibility:

- To take over responsibility for the maintenance and operation of this policy.
- To maintain records of financial malpractice, including concerns and allegations received; matters raising from audits; investigations and evidence; and the investigation results.
- To report as necessary to MNSUS Executive Board.

Name of Partner NGO:

Name of Project:

Address:

FRAUD REGISTER

Fraud no:

SI. no	Particulars with steps and actions	Results and Remarks
1.	Name, address & telephone no. of the person/organization against the fraud raised	
2.	Particulars of complaint relating to fraud with receiving date	
3.	Name & address of the informer/finder/anonymous	
4.	Name of the person with position who bring the issue to the fraud management committee/Senior Management	
5.	Discussion and decision about the fraud by the Fraud management committee/Senior Management with date	
6.	The decision of the Fraud management Committee/ senior management team with action plan	
7.	Name of the investigation team member (if needed) with their responsibility (ToR) with last date of reporting	
8.	The summary of the investigation team report with the date of submission	
9.	The decision of the Fraud management committee/ Senior management team based on the report with date	
10.	Action implemented/not with date (if not what are the reason/s)	
11.	Final settlement of the fraud with date	
12.	Decision of Fraud management Committee/Senior management team about reporting or not reporting to MJF Donors with justification and date	
13.	Follow up action if any:	

If necessary, separate sheet/s may be used to write the results/actions or any other information.