

# Anti-fraud, Corruption and Discipline Policy

## 1. DEFINITIONS

**Corruption:** the offering, giving, soliciting, or acceptance of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include:

- Bribery
- Conspiracy
- Extortion

**Fraud:** any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. Dishonest or fraudulent activities include, but are not limited to, the following:

- Forgery or alteration of documents (checks, bank draft, time sheets, invoices, agreements, etc.) or bank accounts belonging to NIHR.
- Misrepresentation of information on documents.
- Misappropriation of funds, supplies, or assets.
- Theft, disappearance, or destruction of assets.
- Improprieties in the handling or reporting of money or financial transactions.
- Authorizing or receiving payments for goods not received or services not performed.
- Authorizing or receiving payment for hours not worked.
- Inappropriate use of the organization's records and disclosing confidential and proprietary information to outside parties.

**Unethical behavior:** Culturally, and socially unadopted activity known to only some communities, and it disagrees with the principals of positional discipline of transparency, integrity, and competence, and effectiveness and ethics during duties, inside or outside the institute with the targeted beneficiary.

**Trespassing others' privacy:** is undeliberate monitoring of unauthorized persons in charge of those duties of the information and secretes of the staff, partners, and the targeted by unauthorized persons for that position and trespassing their legit rights and this is considered as unethical behavior.

**Management:** for purposes of this policy, management refers to the CEO, directors, coordinators or other individuals who approve, manage or supervise funds or other resources, including human resources.

## 2. INTRODUCTION

This policy was designed to enable NIHR to put proper mechanisms against Fraud, Corruption, and unethical behavior and trespassing others' privacy and finding adequate methods for protection in NIHR to accomplish justice, transparency, integrity in the work of the staff, beneficiaries, potential partners.

Fraud, Corruption, and unethical behavior and trespassing others' privacy can have a devastating effect on our organization because it could result insignificant financial loss and other long-term repercussions such as loss of public trust. Any allegations of fraud or corruption will be taken seriously, with no exceptions. All individuals, regardless of position, title, or tenure with NIHR are expected to remain vigilant and report any suspicious activity.

This policy promotes a culture founded on Fraud, Corruption, and unethical behavior and trespassing others' privacy prevention and awareness and accountability, and clarify acts that are considered to be suspicious. They support a culture of operating within a comprehensive framework of internal controls completed with documented and formalized policies, procedures and other supporting safeguards as



needed. The policy provides guidance to prevent, detect, report, and investigate when fraudulent or corrupt acts are suspected and subsequently proven.

### 3. OUR COMMITMENT

NIHR will uphold a zero-tolerance approach regarding fraud and corruption. NIHR will identify and promptly investigate any suspected fraudulent or corruption related dishonest activity against the organization or other parties with whom the organization has dealings. The organization will take appropriate disciplinary and legal actions to include the possibility of termination of employment, restitution, and forwarding information to the appropriate authorities for prosecution.

4

### 4. SCOPE

This policy applies to:

- a) NIHR's Board of Trustees.
- b) NIHR's team, including salaried staff, volunteers, and interns.
- c) Partner organizations, throughout the development of activities that form part of programs or projects carried out in collaboration with NIHR.

Likewise, other involved parties, such as consultants or research professionals, or people visiting projects or programs in the field (collaborators, media, etc.) must behave in a way that is consistent with this policy throughout their relationship with the organization.

### 5. RESPONSIBILITIES

- Management is responsible for the detection and prevention of corruption, fraud, and misappropriation.
- Each member of management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity.
- Management is responsible for reporting any potential instance of fraud or corruption to the Auditing and Compliance Unit, immediately. If the Auditing and Compliance Unit is suspected in the fraud or corrupt act, the notification must then be escalated to the Finances Director or the CEO.
- Management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
- All members of NIHR's team and the Board of Trustees have a duty to report concerns they have or information provided to them about the possible fraudulent or corrupt activity of any member of the NIHR's team, trustee, contractor, vendor, or any other party with an association with NIHR. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has an obligation to report the suspected act immediately.
- The Finances Division is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed every two years and revised as necessary.
- The Auditing and Compliance Unit is also responsible for acting as the lead during the investigation process in determining if fraudulent or corrupt activity has taken place and for leading the review process.

### 6. PROCEDURES

#### 6.1. PREVENTING FRAUD AND CORRUPTION

- 6.1.1. NIHR has established internal systems and controls in an effort to deter, prevent, and detect fraud and corruption.
- 6.1.2. Vendors, contractors, and suppliers must be active, in good standing, and authorized to transact business in their country. Vendors, contractors, and suppliers are subject to screening, including verification of the individual's or organization's status as a suspended or debarred party.

6.1.3. NIHR's team and trustees will receive information on this policy. New hires will receive this information as part of their orientation at the commencement of employment.

## 6.2. REPORTING FRAUD AND CORRUPTION

6.2.1. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has an obligation to report the suspected act to the Auditing and Compliance Unit, immediately. In all instances, the suspected fraudulent or corrupt activity must be escalated to the Auditing and Compliance Coordinator.

6.2.2. False disclosures or failure to report suspected fraudulent or corrupt activity in a timely manner according to the procedures below will also be subject to disciplinary action. The procedures for doing so are laid out in NIHR's Whistleblower Policy, but, in the case of suspected fraud or corrupt

6.2.3. activities, anonymous disclosures will not be accepted.

6.2.4. The reporting person shall refrain from further investigation of the incident, confrontation of the alleged violator, or further discussion of the incident with any other party unless requested to do so by their respective head of unit, director, the Auditing and Compliance Unit, NIHR's legal counsel, and/or public law enforcement.

6.2.5. Retaliation and retribution for reporting suspected fraudulent or corrupt activities will not be tolerated. However, if a member of the Board of Trustees or NIHR's team is determined to have acted maliciously or with deceit, they will be subject to disciplinary action or other appropriate measures.

## 6.3. INVESTIGATION

6.3.1. The Auditing and Compliance Unit has the responsibility to ensure that all suspected fraudulent or corrupt acts are properly screened and investigated. Where the subject of the investigation involves

6.3.2. Auditing and Compliance Unit staff, the Finances Director shall be responsible for the investigation.

6.3.3. The investigating team or individual will have: Free and unrestricted access to all NIHR 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 when it is within the scope of their investigation.

6.3.4. If a fraudulent or corrupt act involves an employee, the investigating team or individual will determine when to notify the employee and whether to recommend that the employee be suspended or temporarily reassigned.

6.3.5. All reports of suspected fraudulent or corrupt acts will be taken seriously and the investigation team or individual will decide, based on the nature and seriousness of the allegation and facts of each case, whether to consult with legal counsel or to utilize outside resources to further the investigation.

6.3.6. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

6.3.7. If the investigation substantiates that fraudulent or corrupt activities have occurred, the investigating team or individual will issue an investigation report to the respective director, the Finances Director, and other appropriate personnel. If appropriate, the Finances Director will report to the Executive Committee or the CEO.

## 6.4. CORRECTIVE ACTION

6.4.1. Depending on the seriousness of the offense and the facts of each case, corrective action can range from written notification and a probationary period, up to and including dismissal

where appropriate, to legal action, either civil or criminal. In cases involving monetary losses NIHR will pursue recovery of losses.

6.4.2. Individuals at all levels of the organization will be treated equally regardless of their position, years of service, or affiliation with NIHR.

6.4.3. Specific actions:

1.4.3.1. Decisions to prosecute or refer investigation results to the appropriate law enforcement and/or regulatory agency for independent investigation will be made in consultation with legal counsel and the respective director and/or the CEO.

1.4.3.2. If an investigation results in a recommendation to dismiss an employee, the recommendation will be reviewed for approval by the respective human resources personnel, the employees' supervisor, the respective director, and if necessary, by legal counsel before any such action is taken.

1.4.3.3. Final determination regarding actions against an individual or business found to have committed fraud or corruption will be made by the Auditing and Compliance Unit, the respective director or the CEO, depending on the details of the matter.

## 7. EXCEPTIONS

7.1. None.