



ANTI-FRAUD AND ANTI-CORRUPTION POLICY

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ACKNOWLEDGEMENT:

I take this honor to thank the entire team of AFRICAN COMMUNITY EMPOWERMENT FOR PROGRESS ORGANIZATION (ACEPO) for their support they extended towards the development of this very essential policy. Without them, this policy wouldn't have been put in place.

DEFINITIONS:

Note: The definitions in the Glossary are to be interpreted within the context of this policy and in the Republic of South Sudan.

Allegation: A statement or accusation by a person that an act of Fraud, theft and corruption has or may have been committed. This does not require evidence of the offence or identification of suspects, but there is usually some stated basis for the accusation

Conflict of Interest: A situation in which the impartiality of an employee in discharging his/her duties could be called into question because of the potential, perceived or actual improper and impermissible influence of personal considerations, financial or other

ACEPO: An abbreviation for AFRICAN COMMUNITY EMPOWERMENT FOR PROGRESS ORGANIZATION (this organization) being referred to from time to time in this policy.

External Fraud: Fraud committed against ACEPO by an external party, for example the employees of a partner or supplier. For the purpose of this policy commissions are considered to be external parties

External Party: Any legal entity or individual other than the staff members of ACEPO

Fraud: The use of deception by an individual with the intention of obtaining an advantage for himself or herself or for a third party or parties, avoiding an obligation, or causing loss to another party. Fraud includes offences such as, but not limited to, deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, and collusion

Fraud Prevention: Strategies designed to proactively reduce or eliminate internal and external fraud

Immediate Dismissal: The cessation of a term of employment by ACEPO immediately upon notice and without any separation benefits that may be provided by local conditions of service, on the basis of the employee's breach of certain terms of his/her contract of employment (including the local conditions of services.)

Internal Control: A process implemented by the governing body, management and other employees, designed to provide reasonable assurance that risks are managed so as to ensure the achievement of the organization's objectives

Internal Fraud: Fraud committed directly against ACEPO by ACEPO's secretariat

Investigation: A search for or collation of evidence connecting or tending to connect a person or body with conduct that infringes the law or ACEPO policies, procedures and guidelines

Partner: Any Organization or Corporation that is involved in funding or delivering services to ACEPO

Risk Assessment: A person that analyses the risks, including fraud risks, that may prejudice or prevent achievements of organizational objectives, and that determines whether those risks are to be prevented, mitigated, transferred or accepted

Secretariat: As used in this policy, secretariat refers to all staff members of ACEPO who are engaged in the day-to-day operations of the organization. These include all levels of management from the top-level management to the lower level management.

ACKNOWLEDGEMENT: i

DEFINITIONS:..... ii

SECTION 1: INTRODUCTION 1

SECTION 2: WHAT IS FRAUD?..... 2

SECTION 2a: WHAT IS BRIBERY AND CORRUPTION..... 2

SECTION 3: HOW FRAUD, THEFT AND CORRUPTION OCCURS 3

SECTION 4: FRAUD, THEFT AND CORRUPTION PREVENTION 4

Sub section 4.1: A CULTURE OF HONESTY AND ETHICS 5

Sub section 4.2: RISK MANAGEMENT AND INTERNAL CONTROL 5

Sub section 4.3: AWARENESS RAISING AND TRAINING..... 6

Sub section 4.4: OVERSIGHT PROCESS 7

SECTION 5: FRAUD, THEFT AND CORRUPTION RESPONSE 7

Sub section 5.1: DELEGATION STRUCTURE..... 7

Sub section 5.3: REPORTING PROCESS 8

Sub section 5.4: ACEPO MANAGERS RESPONSIBILITY 9

Sub section 5.5: DETERMINING THE APPROPRIATE COURSE OF ACTION BY THE 9

Sub section 5.6: INITIAL REACTION TO ALLEGATIONS OF FRAUD, THEFT AND CORRUPTION..... 10

Sub section 5.7: INVESTIGATION PROCEDURE..... 10

Sub section 5.8: MANAGING EXTERNAL RELATIONS..... 11

Sub section 5.9: RECOVERING ASSETS..... 12

Sub section 5.10: DISCIPLINARY ACTION 12

Sub section 5.11: FOLLOW-UP ACTION 12

SECTION 6: ROLES AND RESPONSIBILITIES IN FRAUD, THEFT AND CORRUPTION RESPONSE AND CONTROL 13

Sub section 6.1: THE FINANCE AND AUDIT COMMITTEE OF THE EXECUTIVE BOARD 13

Sub section 6.2: THE COUNTRY DIRECTOR 13

Sub section 6.3: ALL LINE MANAGERS..... 14

Sub section 6.4: THE HEAD OVERSIGHT UNIT..... 15

Sub section 6.5: THE LEGAL ADVISER 15

Sub section 6.6: THE HUMAN RESOURCE OFFICER 15

Sub section 6.7: ALL STAFF MEMBERS..... 16

SECTION 7: OTHER ACEPO POLICIES FOR FURTHER GUIDANCE..... 16

SECTION 1: INTRODUCTION

ACEPO has become increasingly aware of the levels and types of risks that it must manage if it is to retain and enhance its reputation, financial viability and place among Non-Government Organization Sector and its impact towards education promotion and development related endeavors in the Republic of South Sudan. External Reviews, Donor feedback, Recommendations and Reports of the External and Internal Audits have also highlighted, in some cases repeatedly, the challenges, risks and opportunities that Non-Government Organization like ACEPO face and what they must do to effectively manage and govern their activities.

Recognizing that addressing fraud, theft and corruption risk is a normal requirement for the conduct and business by all organizations. ACEPO's Executive Board, Country Director and the entire Secretariat have therefore responded to the recommendations of the Internal Auditors to strengthen ACEPO's risk management practices, internal controls and standards. These measures include the development of policies and adherence to the developed policies like the Asset Management Policy, An Anti-Fraud, Anti-Theft and Anti-Corruption Policy, Procurement and Logistics Policy, Finance Policy and Procedures Manual, and a Code of Conduct and Professional Ethics, and a number of other policies.

Through these measures, ACEPO seeks to be an International Non-Government Organization that is accountable, transparent and ethical in its management and governance, and that retains the confidence and trust of its staff members, partners, donors and the public at large.

The aim of this Anti-Fraud, Anti-Theft, and Anti-Corruption Policy is therefore, to safeguard the reputation and financial viability of ACEPO through the improved management of fraud, theft and corruption risk. It sets out explicit steps to be taken in response to reported or suspected fraud, theft and corruption, as well as measures that will be taken to prevent or minimize the risk of fraud, theft and corruption. The policy has been developed on good practice examples of fraud, theft and corruption risk control strategies and of fraud, theft and corruption response plans found in both public and non-profit sectors, and on the specific need and requirements of ACEPO as an International Non-Government Organization operating in South Sudan.

The Policy further applies to all staff members of ACEPO here in referred to as the secretariat. This policy is an integral part of ACEPO's internal control policy framework and it should be read and applied in conjunction with other ACEPO's developed policies like; the Code of Conduct and Professional Ethics, Finance Policy and Procedures Manual, Asset Management Policy to mention but a few. In addition, the definitions that appear in the Glossary are to be interpreted within the context of this policy.

SECTION 2: WHAT IS FRAUD?

For purposes of this policy, Fraud is defined as the use of deception by an individual with the intention of obtaining advantage for himself or herself or for a third party or parties, avoiding an obligation, or causing loss to another party.

The term fraud may also be used to describe offences such as, but not limited to, deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, collusion, false representation, misappropriation, and concealment of material facts.

The policy is therefore intended to apply to both internal and external fraud as defined in the Glossary.

Examples of Fraudulent Behavior

- Obtaining property, financial advantage or any other benefit by deception or abuse of authority granted by virtue of one's official position, duties or responsibilities
- Charging ACEPO for goods and services that have not been delivered.
- Development or application of local policies or practices which are knowingly inconsistent with the objectives of ACEPO
- Seeking to obtain confidential information about a colleague or others, with the intent to use it for unauthorized purposes.
- Knowingly providing false, misleading or incomplete information to ACEPO, its donors, partners, or other business associates, or deliberately failing to provide information where there is an obligation to do so.
- Unauthorized personal use of ACEPO assets like computers, stamps, telephones, vehicles or any other property or services outside of official duties, hacking into, or interfering with an ACEPO computer internet system.
- False Accounting
- Counterfeit Currency, possession/use in or outside the Organization
- Destroying or removing documents or records maliciously.
- Forging, tampering with or falsely creating documents, including printed and electronic materials, records, online materials and electronic devices

SECTION 2A: WHAT IS BRIBERY AND CORRUPTION

Bribery and corruption have a range of definitions in law. The following is a plain language guide.

Bribery: The unlawful act of offering or receiving any gifts, loan, fee, reward or other advantage (taxes, services, donations, etc) to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, in the conduct of one's duties.

Corruption: The abuse of entrusted power of influence for private gain.

Examples of Bribery and Corruption

- A potential supplier offers money or a gift to influence a procurement/tender process
- A job applicant offers payment or a gift to increase his/her chances of being hired.
- A gift (e.g. excessive hospitality, money) is offered to a local official, in return for him/her approving a proposal.
- An NGO hires the daughter of a local official, the following month the NGO asks the official to grant an important permit
- A potential or actual beneficiary offers a payment or a gift in return for allowing him/her or their family to be given aid to which they are not entitled.
- A government official asks for a payment to secure an NGO registration
- A customs official asks for an unofficial payment or gift to release goods (the last two examples may also be considered as facilitation payment, which are simply another form of bribery).

SECTION 3: HOW FRAUD, THEFT AND CORRUPTION OCCURS

Under most cases, these arise because of lack of proper internal control practices and procedures, failure by staff to observe internal controls, carelessness in carrying out checks, or inadequate separation of duties.

Four basic elements are usually present when these cases occur:

- Individual(s) to carry out the fraud or corruption - inside or outside of the organization
- Assets to be acquired, used or disposed of fraudulently
- Intent to commit the fraud and/or corruption
- Opportunity to do so.

Top level managers at ACEPO must therefore ensure that the opportunities for fraud, theft and corruption are minimized. A high probability of being caught and disciplinary action taken will deter those who might otherwise engage in fraud, theft and corruption.

Opportunities to commit these vices may be reduced by ensuring that a sound system of internal control, proportional to risk, have been designed and implemented and is functioning as intended.

SECTION 4: FRAUD, THEFT AND CORRUPTION PREVENTION

It is the sole responsibility and obligation of ACEPO's Executive Board and the entire secretariat to contribute to the prevention and/or management of fraud, theft and corruption risk. This shall be possible with the following;

- Starting with the Executive Board, the Secretariat and finally the support staff, all have the responsibility and an obligation to set the pace and lead in the promotion of risk management, internal control measures and an anti-fraud , anti-theft, and anti-corruption culture throughout the Organization.
- The Secretariat must conduct themselves with integrity and demonstrate awareness of the importance of ethical practices in their day to day work
- The Top Level Managers of ACEPO's secretariat must also design, implement and put in place operational internal control measures, recruit the right people and constantly carryout stop checks on a number of things.
- The IT Specialist must also ensure that there is promotion of proper computer usage and data security in place.
- The entire secretariat must personally be familiar with all ACEPO's policies since these contain internal control measures and promote an anti-fraud, anti-theft and anti-corruption culture.
- At ACEPO, there shall be a fundamental, sound management and governance structures that shall demonstrate and reinforce leadership, stewardship, ethical behavior, transparency, accountability and performance at all times.
- The overall role and responsibility of ACEPO's Executive Board and the other sub committees shall be to oversee that ACEPO's internal control measures and risk management practices are adhered too and followed.

ACEPO expects and cautions all individuals and organizations with whom they carry out business/dealings to be honest and fair at all times. These include individuals like the Donors, Executive Board, Secretariat, Commissions, Partners, and Suppliers etc. ACEPO will not tolerate any level of fraud, theft or corruption etc. and any detected case will be thoroughly investigated, with disciplinary or criminal sanctions pursued where appropriate and possible, and losses recovered by any and all lawful means. ACEPO is also committed to ensuring that opportunities for fraud, theft and corruption occurrence are reduced to the

lowest possible level and that effective internal control measures are maintained to prevent fraud, theft and corruption, systems and procedures are reviewed and improved upon following detected cases of fraud, theft and corruption.

There are four major facets to ACEPO's strategy for effective fraud, theft and corruption prevention and these are stated below in the following subsections

Sub section 4.1: A CULTURE OF HONESTY AND ETHICS

The most persuasive and effective method of preventing fraud, theft and corruption shall be the promotion and creation of an ethical and transparent environment that encourages staff members at all levels to actively participate in protecting ACEPO's reputation and resources. This environment must be created by the top most level managers and involves:

- Clearly stating ACEPO's ethical values found in the ACEPO's Code of Conduct and Professional Ethics to which all staff members have obligations to comply with and to promote to third parties with whom they deal.
- Establish, disseminate and enforce a clear anti-fraud, anti-theft and anti-corruption policy, including sanctions for wrongdoing
- Clarify and clearly address available conflict of interest cases
- Establish and apply policies that focus on the honesty and integrity of employees and carry out constant background checks sufficient to every level of management and sensitive office position
- Promote and develop staff awareness on fraud, theft and corruption through training them in anti-fraud, theft and corruption strategies, fraud, theft and corruption detection and prevention.
- Maintaining staff morale through the creation of reasonable working environment, and common basic standards in local working conditions.

Sub section 4.2: RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management is at the heart of effective fraud, theft and corruption control, especially through the development of risk criteria and implementation of effective internal control measures. ACEPO shall undertake a comprehensive evaluation of its overall vulnerability to fraud, theft and corruption as well as the scope and magnitude of fraud, theft and corruption risk in specific areas at least every two years. This frequently shall be part of an ongoing risk management process and findings will be reported to the Finance and Audit Committee of ACEPO's Executive Board.

The Finance and Audit Committee of ACEPO shall;

- Expect the Country Director together with the Programs Manager to exercise proactively their responsibility and obligation for the overall management of fraud risk consistent with ACEPO's Constitution.
- Monitor the implementation of actions designed to reduce fraud, theft and corruption risk
- Report the matter to Executive Board, Country Director and Programs Manager with recommendations for appropriate action, in cases where there is insufficient or lack of staff responsibility to fraud, theft and corruption prevention.

ACEPO's Executive Board, Country Director and Programs Manager shall;

- Establish and develop a number of internal control measures to detect, report and deter fraud, theft and corruption from happening
- Ensure that the secretariat is comfortable to report fraud, theft and corruption without fear of reprisal
- Initiate and facilitate fraud, theft and corruption detection and reporting mechanisms

Sub section 4.3: AWARENESS RAISING AND TRAINING

Fraud, theft and corruption awareness raising and training promotes fraud, theft and corruption prevention and detection. ACEPO's top level managers shall ensure that all employees are aware of their responsibilities and obligations for fraud, theft and corruption control and ethical behavior. Targeted trainings shall from time to time be conducted for new staffs and refresher trainings for current staff. These trainings shall include the following subject areas;

- Definition of fraud, theft and corruption with ACEPO giving examples to illustrate the breadth of fraud, theft and corruption and the fact that it can involve the pursuit of both tangible and intangible benefits
- The need for ethical behavior and the fact that fraud, theft and corruption avoidance is everyone's responsibility and obligation
- The details of ACEPO's Anti-Fraud, Anti-Theft and Anti-Corruption Policy:
 - Things to look for that could indicate that fraud, theft and corruption may have been committed
 - Steps to take if fraud, theft and corruption is reasonably suspected
 - Responsibilities for handling allegations and inquiries into cases of fraud at ACEPO

- Relationship of the Anti-Fraud, Anti-Theft and Anti-Corruption Policy with the Code of Conduct and Professional Ethics, and other policies
- The role of the Finance and Audit Committee, Country Director and Head Oversight Unit of ACEPO
- Available remedies and measures to be applied when fraud, theft and corruption is established
- Measures to ensure that third parties are aware of ACEPO's Anti-Fraud, Anti-Theft and Anti-Corruption Policy

Sub section 4.4: OVERSIGHT PROCESS

ACEPO shall from time to time have independent reviews conducted by both internal and external auditors to examine the effectiveness of the developed internal controls and review operations for evidence of fraud, theft and corruption. The results of such will be reported directly to the Country Director and the Program Manager who shall later on report to the Finance and Audit Committee and Executive Board.

SECTION 5: FRAUD, THEFT AND CORRUPTION RESPONSE

Sub section 5.1: DELEGATION STRUCTURE

The Country Director with support from the Program Manager has overall responsibility for the organizational response in the case of a reported or suspected fraud, theft and corrupt. Sub-delegation for handling the response will be made as appropriate. Care should however be taken to ensure that those involved in overseeing fraud, theft and corruption response do not have managerial responsibilities in the area(s) affected

Sub section 5.2: REPORTING ALLEGATIONS OF FRAUD, THEFT AND CORRUPTION

ACEPO staff members' responsibility: ACEPO staff members should be aware of the potential occurrence for fraud, theft and corruption, and should immediately report any reasonably suspected or detected fraud, theft and corruption. Concerns which should be reported include, but are not limited to, staff committing or attempting to commit:

- Any dishonest or fraudulent act, such as
 - Forgery or alteration of documents or accounts
 - Misappropriation of funds, supplies or other assets
 - Improper handling or reporting of money or financial transactions
 - Personal gain from an official position or enabling family members or others to do so
 - Disclosure of official activities or information for advantage

- Attempt to achieve personal gain from third parties by virtue of official position or authority
- Theft or misuse of property, facilities or services
- External party actions which should be reported include:
 - Being offered a bribe or inducement by a partner or supplier
 - Receiving fraudulent(i.e. intentionally inaccurate, rather than erroneous) invoices from supplier
 - Known instances of corruption, deception or misuse by a supplier or partner
 - Any of the concerns listed in references to ACEPO staff members.
- If any ACEPO staff becomes aware of a suspected fraud, theft and corruption case, they should take note in writing of any pertinent details, including what was said or done by whom, the date, the time, the location and the name of the individual(s) involved.

Sub section 5.3: REPORTING PROCESS

Depending on the circumstances of who is thought to be involved in the suspected fraud, theft and corruption, ACEPO staff members should report the suspected fraud, theft and corruption to one of the following, in order of preference:

- The Country Director
- The Head Oversight Unit (Programs Manager) who is the Head Oversight Unit
- If the Program Manager is a potential suspect, then staff members should report the concern directly to the Country Director. Under situations where the Country Director is a potential suspect, the staff member should report to the Head Oversight Unit.
- ACEPO's Staff can also report through the confidential Anti-Fraud Box that shall be placed at ACEPO offices and opened once a month to check for any complaints. The keys to the Anti-Box shall be kept by both the Country Director and the Head Oversight Unit (Program Manager)
- All information provided to the Country Director and Head Oversight Unit will be treated confidentially. All reasonable allegations will be treated seriously and systematically, and will be properly investigated. Allegations, whether made anonymously or not, must be supported by documentary evidence or statements by witnesses for the investigation to proceed. Without such evidence the investigation cannot take place.
- If an allegation is determined to have been made frivolously, in bad faith, maliciously, for personal gain or for revenge, disciplinary action will be taken against the person making such an allegation.

Sub section 5.4: ACEPO MANAGERS RESPONSIBILITY

- If informed of any fraud, theft and corruption related information, the Country Director or Head Oversight Unit should listen carefully and with respect to staff, and ensure that every allegation is treated seriously and given a fair hearing. The Country Director or Head Oversight Unit should obtain as much documentation and information as possible regarding the alleged fraud, theft and corruption, including any notes of evidence, and they should reassure staff members that they will be protected and will not suffer any reprisal for having reported allegations made in good faith. The Managers (Country Director and Program Manager) will be required to prepare a written report of the details of any suspected fraud, theft and corruption that has been reported to them for enquiry.
- If the Managers (Country Director and Program Manager) consider that the case cannot be discussed with the alleged perpetrator, they should report the matter immediately to the Finance and Audit Committee of the Executive Board indicating the decisions reached concerning the matter.
- All fraud, theft and corruption related cases should be reported within five working days of discovery or notification from another member of staff, to the Head Oversight Unit or the Country Director. All subsequent correspondence should be forwarded to the Country Director and the Head Oversight Unit.

Sub section 5.5: DETERMINING THE APPROPRIATE COURSE OF ACTION BY THE HEAD OF OVERSIGHT AND THE COUNTRY DIRECTOR.

- As a matter of principle, once an alleged fraud, theft and corruption is reported to the Head Oversight Unit, she/he shall disclose all relevant information to the Country Director and if any of these persons are thought to be involved then the report should bypass the person concerned, and be sent to the other or Finance and Audit Committee of ACEPO Executive Board.
- The Finance and Audit Committee shall determine, in consultation with the Country Director and the Head Oversight Unit, whether the case can be dealt with internally, or whether external involvement is necessary. And depending on the advice given, any decisions to contract external experts or police will be recorded.
- A decision to involve external experts will depend on the magnitude and the complexity of the fraud, theft and corruption and individuals involved.
- The Finance and Audit Committee shall advise the Country Director on the involvement of the police in the given case. The Country Director could seek advice and require the involvement of the lawyer, the Executive Board and or the police and any other specialist accountant and financial investigators.

Sub section 5.6: INITIAL REACTION TO ALLEGATIONS OF FRAUD, THEFT AND CORRUPTION

- The Country Director and the Head Oversight Unit shall act promptly to determine a course of action appropriate to the seriousness of the alleged offence. Sanctions could range from leave with pay, leave without pay, or suspension, to immediate dismissal. In all cases the course of action will be determined in consultation with the Human Resource Officer, and or the legal team.
- The Human Resource Officer shall inform the individual(s) concerned of the allegations against him or her, and the course of action to be taken.
- Simultaneously the Country Director and or the Head Oversight Unit shall ensure that all relevant information in the possession of the individual suspected is secured for investigation.
- The Finance Manager and or the Field Finance, in consultation with the Head Oversight Unit and the Country Director, shall mitigate the risks caused and future losses by immediately amending procedures in order to protect the Organization's assets and preserve evidence including, if necessary, suspending payments (such as of salary or of invoices) to the concerned staff.
- Relevant insurers will be notified immediately of any loss or damage to ACEPO's insured property.
- The Head Oversight Unit will notify the External Auditors about the fraud, theft and corruption related case in due course.
- Depending on the legal status of the ACEPO's staff, the organization may have a legal obligation to report the fraud, theft and corruption case to the appropriate government body in order to protect ACEPO's reputation or legal status.
- ACEPO may have a legal obligation to provide early notification to parties such as donors and partners who may potentially suffer losses.

Sub section 5.7: INVESTIGATION PROCEDURE

- Depending on the magnitude and the complexity of the fraud, theft and corruption, investigations will be carried out either in-house by the Country Director or Head Oversight Unit or by external parties such as independent accountants with specialized forensic accounting expertise and access to criminal law expertise or where deemed appropriate by the police. The decision whether to use internal or external investigation services, or a combination of both will be made by the Executive Board, Country Director and or the Head Oversight Unit on the advice of the legal Adviser.
- Investigations shall be conducted without regard to any person's relationship to the organization, position or length of service. The Country Director and Head

Oversight Unit shall retain and secure records of all actions in the investigation, in the event of any future criminal, civil or disciplinary action.

- The Country Director and Head Oversight Unit shall determine who should be involved in the investigation and take care to avoid a conflict-of-interest situation for staff members and managers with close working relationships with the individual(s) in question.
- The Country Director and/ or Head Oversight Unit shall ensure that full access is given to any external body requested to assist immediately search the work area in question, including any files and computers. All searches are to be concluded in a lawful manner, to ensure that evidence is admissible in court, if required. The Country Director and/or Head Oversight Unit shall keep records of any action or handling of evidence.
- Interviews, if necessary, shall be structured and documented as much as possible. The Country Director and /or Head Oversight Unit shall develop the procedure, in consultation with the Legal Adviser.
- The Country Director and/or Head Oversight Unit shall issue a report detailing the findings and conclusions of every completed investigation, including recommendations for future action to be filed. Results of investigation shall not be disclosed to or discussed with any person apart from the Legal Adviser and the Executive Board and/or anyone with a legitimate need to be involved. This is important to avoid damaging the reputation of those suspected of wrongdoing and subsequently found innocent, and to protect the Organization from potential civil liability and loss or reputation and goodwill.

Sub section 5.8: MANAGING EXTERNAL RELATIONS

- In the case of any external fraud, theft and corruption, ACEPO shall take immediate steps to mitigate potential loss of ACEPO's reputation and credibility with donors and partners who are involved in funding or delivering work in the particular context in question. Where an investigation confirms that an act of fraud, theft and corruption was committed, the Country Director and/or the Head Oversight Unit shall disclose the details of the fraud, theft and corruption immediately to the Executive Board, the assets/resources affected, and the efforts being taken to remedy the situation to any partner or donor with an interest in the affected area. This must be done as rapidly as possible.
- Under cases where donors and partners who interact closely with ACEPO may have come to know about the issues, then they too shall be informed and what steps have been taken by ACEPO to save its integrity, reputation and transparency
- In high profile cases of fraud, theft and corruption, the Country Director and/or Head Oversight Unit shall manage and monitor any media response. These shall only

release information that doesn't damage the reputation of the organization, and this shall be done in consultation with the Legal Adviser. The Human Resource Officer will retain a complete record of any information released, including the content and the recipients.

Sub section 5.9: RECOVERING ASSETS

Under cases where ACEPO has suffered pecuniary loss of other material assets, efforts shall be made to seek restitution from the individual(s) responsible for the fraud, theft and corruption. This shall be done through the following methods;

- Making arrangements for voluntary payment
- Making deductions from benefit payments or a pension scheme if permitted by law
- Considering an insurance claim, and subrogation if the claim is settled
- Taking civil action to obtain a judgment for the loss
- Obtaining compensation orders in criminal cases
- Considering any other appropriate means of recovery

Sub section 5.10: DISCIPLINARY ACTION

- Where the Country Director and/or Head Oversight Unit investigation reveals that an ACEPO staff member has committed a fraud, theft and corruption involving theft, embezzlement or misappropriation of funds and the facts considered to be beyond reasonable doubt, the Country Director and/or Head Oversight Unit, in consultation with the Legal Adviser and Human Resource Officer, shall seek advice on what actions to take. Where appropriate, a complaint should be filed with the police. In these cases, disciplinary action will take the form of termination, or immediate dismissal
- Where the fraud does not involve theft, embezzlement or misappropriation of funds, the member of staff should be suspended from duties on pay pending completion of investigation. The Country Director and/or Head Oversight Unit in consultations with Executive Board and legal Adviser to determine the appropriate course of action to take.
- Disciplinary action may also be brought against supervisors whose failures have contributed to the act of fraud, theft and corruption or against a staff member deliberately making an allegation in bad faith.

Sub section 5.11: FOLLOW-UP ACTION

- Following a case of fraud, theft and corruption and subject to any legal reporting restrictions, the Country Director and/or Head Oversight Unit shall ensure that all

staffs in the area affected are briefed on the process and outcome of the investigation. There shall also be a follow-up with the individual(s) who reported the initial suspicion of fraud, theft and corruption, to provide assurance that their claims have been taken seriously

- Depending on the circumstances, the Country Director and/or the Head Oversight Unit shall consider the need for communication with staff, donors and partners on a larger scale
- The Country Director and/or Head Oversight Unit shall ensure that the organization conducts a thorough review of operating procedures in the areas affected by the fraud, theft and corruption and that improvements are made where necessary. Lessons learned shall be disseminated throughout the organization, where applicable, to strengthen the system of internal control and to foster an anti-fraud, theft and corruption culture. A report on actions taken shall be submitted to the Finance and Audit Committee of the Executive Board.

SECTION 6: ROLES AND RESPONSIBILITIES IN FRAUD, THEFT AND CORRUPTION RESPONSE AND CONTROL

In summary, the specific roles and responsibilities for preventing and responding to fraud, theft and corruption in ACEPO are the following

Sub section 6.1: THE FINANCE AND AUDIT COMMITTEE OF THE EXECUTIVE BOARD

- The Country Director is expected to provide regular reporting to the Finance and Audit Committee on the assessment of fraud, theft and corruption risk and measures being taken to prevent fraud, theft and corruption in ACEPO

Sub section 6.2: THE COUNTRY DIRECTOR

- Sets the overall tone to reinforce the message that fraud, theft and corruption shall not be tolerated at ACEPO
- Establishes internal control systems designed to eliminate or mitigate the fraud, theft and corruption risks faced by ACEPO. She/he shall be accountable for the adequacy and effectiveness of all the controls designed and implemented. Managing fraud, theft and corruption risk should be seen in the context of the management of a wider range of risks.
- Establishes mechanism for reporting suspected fraud, theft and corruption and issues with management of fraud, theft and corruption risk

- Ensures that the staff knowledge regarding anti-fraud, anti-theft and anti-corruption policies is sufficient and where necessary appropriate training is provided
- Ensures that swift action is taken to respond to all fraud, theft and corruption allegations in time
- Makes arrangements for investigating allegations of fraud, theft and corruption, and ensures that vigorous and prompt investigations are carried out without delay
- Determines the appropriate disciplinary and/or legal action to be taken against perpetrators of fraud, theft and corruption and supervisors whose failures have contributed to a proven act of fraud, theft and corruption, and ensures that appropriate action is taken to recover assets
- Communicates, if necessary, with major donors or partners affected by the fraud, theft and corruption to reassure them that all necessary steps are being taken
- Ensures timely follow-up and strengthening of preventive measures
- Takes appropriate measures in case of frivolous or bad faith allegations.
- Takes appropriate measures if a staff member is cleared of allegations made in good faith

Sub section 6.3: ALL LINE MANAGERS

- Assess the risks, including but not limited to fraud, theft and corruption risks, involved in their area of responsibility and ensure an adequate system of internal control exists and functions to address these risks
- Ensures that controls are properly operated and complied with. Line Managers should regularly review the control system in their area of work to satisfy themselves that it continues to operate effectively
- Encourage staff to report reasonable suspicions of fraud, theft and corruption, treating all allegations seriously, and promptly reporting allegations to the Head Oversight Unit
- Keep records of any allegations as well as any subsequent actions taken

Sub section 6.4: THE HEAD OVERSIGHT UNIT

- Promotes the deterrence and prevention of fraud, theft and corruption by evaluating the effectiveness of internal controls, and reports periodically on their adequacy to the Country Director and the Finance and Audit Committee of the Executive Board
- Receives reports of fraud, theft and corruption from staff members, and provides guidance to the Country Director and Finance and Audit Committee of the Executive Board
- Receives reports of fraud, theft and corruption from staff members, and provides guidance to the Country Director in determining the scope of the fraud, theft and corruption and contacting external experts or legal authorities
- Conducts internal investigations, where applicable, including gathering evidence, conducting interviews, and writing response on investigations
- Keeps records of any allegations made, any subsequent actions taken, and the ensuring result
- Reviews and approves the proposed changes to the system of internal controls
- Reviews the implementation of the changes made to the system of internal control subsequent to a case of fraud, theft and corruption to evaluate their efficiency and effectiveness

Sub section 6.5: THE LEGAL ADVISER

- Provide guidance to the Country Director and the Head Oversight Unit on the course of action to be taken, the involvement of external experts or legal authorities, and the conduct of investigations
- Provides guidance to the Country Director and the Head Oversight Unit regarding the potential legal avenues or consequences once a fraud, theft and corruption has been established through investigation, and the means available to recover assets and to restore ACEPO's reputation and goodwill

Sub section 6.6: THE HUMAN RESOURCE OFFICER

- Consults with the Country Director and/or Head Oversight Unit regarding the appropriate disciplinary action to be taken against the perpetrators of fraud, theft and corruption and supervisors whose failures have contributed to the commission of fraud, theft and corruption or those who have made frivolous or bad faith allegations
- Ensures that detailed reference checks are carried out in recruitment processes for staff positions that may be more vulnerable to opportunities for fraud, theft and corruption (handling money, procurement etc.)



Sub section 6.7: ALL STAFF MEMBERS

- Conduct themselves lawfully and properly in the use of the organization’s resources
- Remain alert to the possibility of fraud, theft and corruption and report suspicious behavior to their line managers of the Head Oversight Unit, Country Director
- If staff prefers to report anonymously, they can do so through the confidential Anti-Fraud, theft and corruption Box placed at the Organization Offices
- Attend in-house training sessions/courses on Fraud, theft and corruption Prevention
- Sign and accept the Anti-, Anti-Theft and Anti-Corruption Policy as an integral part of their employment contract with ACEPO

SECTION 7: OTHER ACEPO POLICIES FOR FURTHER GUIDANCE

ACEPO Anti-Fraud and Anti-Corruption Policy is to be incorporated by reference into all instruments regulating the employment, contractual or institutional relationships between ACEPO and natural or legal persons and is to be read and applied in conjunction and consistent with the following resources

- Finance Policies and Procedures Manual
- Procurement Policy
- Asset Management Policy
- Code of Conduct Policy
- Human Resource Policy
- Employee Handbook

Signed by:

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DEPUTY DIRECTOR