

Fraud, Bribery and Corruption Policy



**STAR GHANA
FOUNDATION**



Fraud, bribery and corruption Policy

Introduction

The purpose of this policy is to set out the Foundation's approach to preventing, detecting, reporting on and responding to fraud, bribery and corruption.

15.1 Policies

1. The Foundation has a zero-tolerance policy towards fraud, bribery and corruption committed by staff, directors, members of the Governing Council, consultants, partners or beneficiaries.
2. Effective **internal controls** and processes must be in place to help prevent and detect fraud, bribery and corruption.
3. All staff, directors, members of the Governing Council and consultants are required to act with honesty and integrity and to safeguard the resources entrusted to them.
4. Partners and beneficiaries are required to use funds provided to them by the Foundation for the intended purpose and in compliance with the rules and objectives of their contractual agreements with the Foundation.
5. Staff are required to report immediately any incidents or suspicions of fraud, bribery or corruption.
6. The Foundation will respond to reported incidents of fraud, bribery and corruption with appropriate and proportionate measures depending on the circumstances of each case, including taking disciplinary, legal or other appropriate action against any party found to have been involved in any such practices.
7. The requirements of donors relating to procedures for mitigating the risk of fraud, bribery and corruption and reporting suspicions or allegations of fraud,

bribery and corruption must be followed.

8. Training must be provided to all staff on how to implement and adhere to this policy.

15.2. Procedures and guidelines

15.2.1 Definitions

Fraud

Fraud is: knowingly making an untrue or misleading representation with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another.

Bribery

A bribe is: the offering, promising, giving, accepting or soliciting of money, a gift or other advantage as an inducement to do something that is illegal or a breach of trust in the course of carrying out the activities of the Foundation.

Corruption

Corruption is: the abuse of entrusted power for private gain, including:

- dishonest or fraudulent behaviour by those in positions of power, such as managers or government officials
- offering, giving and receiving bribes to influence the actions of someone in a position of power or influence
- the diversion of funds for private gain.

15.2.2 Examples of fraud, bribery and corruption

Examples of fraud

Procurement fraud

- Staff colluding with suppliers and ordering and paying for goods or services that are not required, have not been delivered or are charged at an excessive rate.
- Staff or third parties creating false invoices in order to obtain payment for goods and services that have not been supplied.
- Staff creating phantom suppliers.
- Staff or third parties altering supplier payment details to divert supplier payments to their own bank account.
- Staff awarding a contract, or preferential terms, to a supplier in return for payments, personal discounts, commission or other benefits or awarding a contract to a relative or other connected party.
- Staff falsifying inventory documents to hide goods diverted during transit or taking items from stores.

Expenses fraud

- Staff claiming expenses or allowances to which they are not entitled, including by falsifying receipts.

- Staff or contractors falsifying travel and subsistence or other expense claims.

Payroll fraud

- Staff manipulating the payroll system, for example by creating non-existent employees, to make payments to themselves or others.
- Staff or temporary staff making false or inflated claims for overtime or flexible working.

Grants fraud

- Grant recipients not spending grant funds on the purposes intended or keeping funds for personal use and falsifying records to support false claims.
- Staff or third parties submitting false applications from real or fictional individuals or organisations for grants.
- Services to beneficiaries not taking place as intended and reported.

Examples of bribery and corruption

- A potential supplier provides money or a gift in order to influence a tender process.
- A job applicant pays to increase his/her chance of being offered employment.
- Payments are made to officials with a view to speeding up routine transactions to which the payer is already entitled, for example extra fees to secure services.
- A partner offers payment or other inducement as an incentive for future funding.
- Relatives or friends are given jobs or selected for providing goods and services as a partner, beneficiary or supplier.

15.2.3 Reporting incidents or suspicions

Actual, potential or suspected incidents of fraud, bribery or corruption must be reported immediately. This applies to incidents related to funds or assets held by the Foundation and funds or assets which have been provided by the Foundation to other organisations. Failure to report could result in disciplinary action.

Staff (other than those involved in any investigation) must not, for their own safety:

- contact the suspected individual in an effort to determine facts or demand restitution
- discuss the case, facts, suspicions or allegations with any other person.

This could also lead to individuals destroying evidence or taking other steps in an attempt to disrupt any follow up action the Foundation may take.

Staff should report any suspected or actual fraud, bribery or corruption and any suspicious acts or events which might give rise to a suspicion of fraud, bribery or corruption to their **line manager** or the Executive Director. If there is a concern that these individuals could be implicated, a report should be made to the Chair of the Governing Council.

Emails for reporting fraud:

Executive Director (STAR-Ghana Fraud Reporting: fraud-stargh@star-ghana.org)

Governing Council Chair (STAR-Ghana Trustee Fraud reporting): fraudtrustee-stargh@star-ghana.org

Staff will not be penalised for raising a concern in good faith.

15.2.4 Investigation and consequences

A full investigation of the incident or suspicions will be carried out.

Staff must assist in any investigations by making available all relevant information and cooperating in interviews.

Disciplinary action will be taken against the Foundation's staff involved in incidents of fraud, bribery or corruption. Staff should be aware that actual or attempted fraud, bribery and corruption constitute gross misconduct and grounds for dismissal.

Legal action may be taken in cases where criminal wrongdoing is suspected and reports made to the police or other relevant authorities. Any proposed legal action must be approved by the Executive Director or the Governing Council if the Executive Director is the subject of the legal action.

The Foundation may seek to recover any losses, either through reaching voluntary agreements to reimburse funds or pursuing losses through the courts.

Cases of fraud, bribery and corruption must be reported to the Governing Council.

Following any cases of fraud, bribery or corruption, systems and procedures must be reviewed to prevent similar incidents taking place.

15.2.5 Exceptions

If a member of staff is faced with a threat to his or her personal safety or that of another person if a payment is not made, it should be paid without fear of retribution.

The payment and the circumstances in which any such payment is made should be fully documented and reported immediately to the Executive Director.

15.2.6 Recording

All incidents of actual or suspected fraud, bribery and corruption must be recorded, including the action taken, the outcome of any investigation and the amount of any loss incurred.

The information recorded will be used to inform the annual review of risks and the effectiveness of controls.

15.2.7 Training and awareness

Training on this policy should form part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to the policy.

The objectives of the training are to:

- increase awareness of the risks of fraud, bribery and corruption
- develop skills for understanding, detecting, preventing and reporting such practices.

The Foundation's zero-tolerance approach to fraud, bribery and corruption must be communicated to all partners, beneficiaries and contractors.

