



FRAUD AND ANTI-CORRUPTION POLICY

Zero Tolerance for Corruption

ABSTRACT

This policy reflects the fundamentals and core concept that all FAROF Members, including where FAROF serves as the lead partners of a Consortium agree to abide by regarding prevention and response to fraud and corruption.

www.farof.org

This Policy has been Approved by the Board of trustees and the CEO

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FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF) Policy on Fraud and Corruption – Awareness, Prevention, Reporting and Response (Zero Tolerance for Corruption)

1.0. POLICY PURPOSE

This policy reflects the fundamentals and core concept that all FAROF Members, including where FAROF serves as the lead partners of a Consortium agree to abide by regarding prevention and response to fraud and corruption. For purposes of this policy, a FAROF Member is any member of FAROF as well as any of its Country Offices and all other locations.

FAROF also recognizes that fraud and corruption is a prevalent issue, and has harmful effects on employees, the organization and society, and is a threat to our vision.

Fraud and corruption awareness, prevention, reporting and response are critical parts of the accountability and compliance culture at FAROF and are of great importance to our impact groups, employees, partners, donors, counterparts and other FAROF's stakeholders. Our internal and external stakeholders have a right to expect that we conduct all our activities to the highest ethical standards.

Kindly bear in mind that all paid and unpaid consultants, contractors, interns, secondees and volunteers that provide supplies, services or support, to FAROF or promote its work at any location in or out of Nigeria. All such parties are referred to as "employee" in this document.

This policy sets out the minimum standards and procedures that all FAROF is obliged to follow.

This policy addresses the awareness, prevention, identification, reporting, investigation and close-out of fraud and corruption at FAROF. Where the donor regulations are more restrictive, those regulations must be complied with and incorporated in our work.

2.0. SCOPE

This policy and related procedures apply to all FAROF entities and personnel including but not limited to those located at FAROF country offices, sub-offices and head office. This policy places the ultimate responsibility for managing fraud and corruption at the FAROF level, and is not intended to replace existing fraud and corruption reporting or management processes as long as they are consistent with this policy. Any conflict shall be superseded by this policy.

3.0. DEFINITIONS AND EXAMPLES

Fraud and corruption are the act of intentionally deceiving someone in order to gain an unfair or illegal advantage of any value, or the abuse of entrusted power for private gain (financial, political or otherwise).

Key definitions and Examples are given in **Attachment A**.

4.0. POLICY STATEMENT

FAROF has a zero-tolerance for fraud, money laundering and corruption. Thus, FAROF requires employees, volunteers and/or related third parties including grantees (collectively referred to as “designated stakeholders”) to act honestly and with integrity, and to safeguard the assets for which they are responsible at all times. Fraud and corruption are ever-present threats to our assets and would undermine our credibility in the eyes of our donors and other stakeholders and so must be a concern of all designated stakeholders of FAROF. FAROF staff are required to be watchful for fraud, corruption or any suspicious behavior, and report it to appropriate management. All reported incidents will be appropriately investigated, disclosed to relevant management, governance body and the donor, remediated, and closed out

5.0. POLICY DETAILS

5.1. Fraud and corruption Intolerance and Reporting Obligations

Any incidence of fraud or corruption or suspicious behavior must be reported to appropriate senior management or/and the whistleblower hotline as set forth in **Attachment B**.

5.2. Internal escalation process

All FAROF Members will have in place an internal escalation process to ensure appropriate management awareness and expeditious handling, resolution and donor notification via FAROF member contract holder (as applicable) as set forth in this policy.

In consideration of local context and donor requirements, if any, FAROF requires to the maximum extent possible reporting fraudulent and corrupt behavior to authorities in any Nigeria and/or any given country where FAROF has operational offices. Any exception must be justified in writing by the respective Chief Executive, Country Director if any and/or Representative.

5.3. Sufficiency of Investigations

Fraud and corruption and allegations of fraud and corruption will be appropriately investigated after considering severity, credibility, potential for reputational damage, and applicable donor requirements. Investigations will generally be led by an appropriate business function as set forth within each FAROF Member, with input from appropriate management and external resources as necessary, including, but not limited to, legal counsel, external audit firms, etc. Any relevant costs including investigations, audit, etc. shall be borne consistent with the FAROF Code.

5.4. Confidentiality of Reports and Investigations

Non-retaliation. Any report of alleged or actual fraud and corruption submitted pursuant to this policy must be treated confidentially to the fullest extent practicable. Reports of fraud and corruption or suspected fraud and corruption may be submitted anonymously. Staff will not be retaliated against for good faith reports. Only personnel with a need to know should be advised of a report and any related investigation.

6.0. PROCEDURES

Procedure Overview. These procedures are designed to ensure appropriate management, reporting, investigation, remediation and close-out of allegations of fraud and corruption, and appropriate reporting, as specifically set forth below.

6.1. Prevention and Awareness

Each FAROF Member is responsible for periodically advising and training its staff, sub-grantees and partners of the content of this policy and for monitoring its implementation in activities for which the FAROF Member is the responsible party. Written agreements with external parties should to the maximum extent possible include a written reference to FAROF's intolerance of fraud and how it should be managed, a form is attached at **Attachment C**.

6.2. Report by Staff/Partners/Recipients to Management

Reports from staff, partners, recipients or any external parties must be provided immediately (within three business days unless sooner as required by any Individual Project Implementation Agreement ("IPIA") between a FAROF Member Partner and Lead Member ("LM")) of suspicion or discovery to appropriate FAROF Member management using its applicable escalation process, as well as any other impacted FAROF Member associated with the relevant funding (as applicable) as set forth in **Section 6.7 below**. Reports may be received by FAROF management in any form, but preferably in writing. Reports may also be provided via FAROF's whistleblower hotline otherwise known as the "FAROF Line" as described in **Attachment D**.

6.3. Reporting a Suspicion of Fraud

Fraud may be discovered in a number of ways, including the following:

- Through planned audit work
- Through the operation of management and control procedures
- A concern may be raised by a member of the public
- A concern may be raised by an employee.

Staffs are encouraged to report any suspicion of fraud, bribery or corruption or any other form of malpractice. The Confidential Disclosure Policy makes clear that staff can report suspicions confidentially and without fear of victimization or subsequent discrimination or disadvantage, whatever the outcome of an investigation.

6.4. Communication and Training

This policy is communicated to all Employees via the organization's platforms, including the FAROF website at www.farof.org/resource-center and emails.

6.5. Internal Controls and Audit

Internal control systems are subject to regular audits to provide assurance that they are effective in countering fraud, bribery and corruption. FAROF's external auditors review the internal financial control systems on an annual basis as part of their statutory audit. Any control issues arising or recommendations for improvement are set out in the Key Issues Memorandum which is presented by the external auditors to the Audit Committee.

Internal audits of the organization's financial controls are carried out periodically by senior members of the **Finance team and the Organization Risk Committee-ORC** who are not directly involved in the area being reviewed.

6.6. Internal Reporting within FAROF Member and between FAROF Members

Upon awareness of an alleged or suspected fraud and corruption, appropriate management or his/her designate will inform immediately (within three business days unless sooner as required by a relevant IPIA) the appropriate senior management within the FAROF Member using a completed **Initial Investigation of Suspected Fraudulent and Corrupt Act Report** found at **Attachment E**. If applicable, any member of the FAROF confederation providing funding or support to a project implicated by an alleged fraud shall also be immediately notified and shall be an integral part of determining next steps, provided that the specific timing of any specific report shall be consistent with the FAROF MEMBER contract holder and/or its donor. The report will include a determination of the amount of the suspected fraud, and whether the suspected fraud requires donor reporting. Depending on the nature of the allegations, other units may be consulted, **including Finance, HR, Security, communications team, etc.**, as necessary and applicable.

6.7. Appropriate Investigation, Report and Follow-Up

Each FAROF Member will specify steps to investigate alleged fraud and corruption promptly. Alleged fraud or corruption will be investigated and documented commensurate with severity, credibility, potential for reputational damage, and applicable donor requirements. The FAROF Member holding the donor contract should be consulted for guidance on conducting and reporting an investigation. A matter will be considered closed by agreement of all concerned parties when conclusions of an investigation and related remediation activities are satisfactory to each implicated FAROF Member and related donor.

6.7.1. Guidelines for Conducting Investigation Interviews

The FAROF set up **Organization Risk Committee-ORC** will need to interview members of staff under investigation and other members of staff who may be witnesses to or able to help establish the facts. During interviews the ORC should adopt the following best practice:

- Have an interview plan before the meeting to ensure the key issues are covered.
- Arrange for an appropriately trained member of the Administrative Department to attend the interview and ask them to take detailed notes.
- Conduct interviews in an independent and professional manner.
- Ask only questions relevant to the investigation.
- Do not ask leading questions or subject the interviewee to harassment or intimidation.
- Prepare a type written statement of the interview, recording all salient points and wherever possible record direct speech by the investigator and the person making the statement.

- Ask the interviewee to read the statement, to make any corrections or additions to the statement and to sign the statement at the end to say it is a true and correct record of the interview.
- Treat reports and statements as 'Restricted' documents and share them only with members of the **Risk Management Incident Group and the police**, where appropriate and where directed. The **Chief Executive Officer and/or the Risk Management Incident Group** may decide the appropriateness of sharing these documents with other Organisation employees i.e. the Human Resource Officer.

6.7.2. Suspending Staff under Investigation

Where initial investigation provides reasonable grounds for suspecting a member of staff of fraud, theft, bribery or corruption, the **Risk Management Incident Group** will take steps to prevent any further loss. It may be appropriate to suspend the suspect(s) pending the outcome of the investigation. In these circumstances, the suspect(s) should be:

- Approached sensitively (unannounced) in a confidential space
- Supervised at all times by a member of the Senior Management Team before leaving the organization or sub-contractor premises, to prevent them from destroying or removing any evidence.
- Allowed to collect personal property under supervision, but should not be able to remove any property or records belonging to the organization, sub-contractor or program.
- Required to immediately return any keys to premises, security passes, laptop computers, memory sticks, mobile devices and files including diaries and address books in their possession.
- Denied any unsupervised access to the organization's premises whilst they remain suspended.
- Denied access to the organization's ICT systems whilst they remain suspended.
- Required not to make contact with other staff in relation to the investigation.

6.8. Donor Reporting:

The FAROF Member that is the Donor contract holder (also known as the FAROF Member Partner in the FAROF Code) is responsible for any donor reporting of fraud and corruption and overall assessment of donor implications, but may delegate donor engagement to another office or appropriate party. FAROF will cooperate with any requests from a donor relating to an ongoing investigation, as applicable.

7.0. RESPONSIBILITIES

7.1. All Staff, Partners, Recipients, Agents, Consultants and Vendors

- Act according to the acceptable legal and ethical standards and expectations

- Be watchful for fraud and corruption at FAROF or any related third parties including agents' consultants, vendors, and partners
- Report to appropriate senior management or the **whistleblower hotline**
- Cooperate with any investigation into allegations of fraud or misconduct

Any credible suspicion of or actual fraud, bribery, corruption or any other financial irregularity or impropriety should be reported to FAROF within 24 hours of it being identified via email, and then narrative report. Using the whistle hotlines (whistle@farof.org or 07081333335> . kindly refer to **FAROF Whistle policy for procedures**

7.2. FAROF Management

- Maintain an adequate control environment, performs regular risk assessments, implements appropriate procedures and internal control activities, ensure sufficient information communication and monitoring of the whole control system is in place
- Maintain policies and procedures to detect fraud and corruption
- Require staff to report suspicions, allegations or known fraud and corruption
- Report all instances of fraud and corruption
- Appropriately investigate or establish an appropriate person or team to investigate allegations of fraud and corruption
- Depending on context, develop guidelines to ensure clarity of roles and responsibilities
- Coordinate with the funding FAROF Member(s), as applicable
- Ensure implementation of any required or recommended remediation activity
- Activate the FAROF Risk Committee if risk to reputation or of external exposure
- Implement appropriate sanctions against staff who committed fraud and corruption
- Communicate appropriately on the sanctions taken in case of fraud and corruption
- Sensitize staff and partners about the fraud and corruption risk in the local environment regularly, act transparent and encourage open discussion on challenges
- Make the policy and whistleblower hotline available for all staff including partner staff

Subject to the confidentiality requirements set forth in this document, the personnel designated above may delegate their responsibilities to a qualified individual. However, the ultimate accountability for specific responsibilities set forth in this policy remains with the original designee.

7.3. Personnel Roles and Responsibilities

The **FAROF Finance Unit (Finance Manager)** holds overall responsibility for FAROF's corporate anti-fraud policy and procedures. They are responsible for establishing and maintaining a sound system of internal control to manage the whole range of risks that FAROF faces. A five-man audit committee, made up of at least 3 non-executive directors appointed by the Board of Trustees, is responsible for reviewing the effectiveness of the organization's internal control and risk management systems, as well as the organization's procedures for detecting fraud.

7.3.1. Executive Director Responsibilities

The Executive Director is responsible for:

- Identification and evaluation of risks and risk management
- Notifying supply-chain partners/sub-contractors of the nature of any investigation relating to a case of suspected fraud involving one or more of their employees.
- Reporting significant incidents of fraud to FAME foundation's Board (for example, where a significant sum of money is involved or if there is likely to be public interest because of the nature of fraud).

7.3.2. Finance Manager Responsibilities

The Finance Manager is responsible for:

- Identification and evaluation of risks and risk management
- Developing and implementing fraud prevention and detection measures
- The regular review of the organization's financial regulations and accounting procedures
- Arranging for the internal audit of the organization's financial regulations and accounting procedures to ensure compliance
- Providing advice and assistance to the Operation's manager on control issues.

7.3.3. Operations Manager Responsibilities

- The **Finance Manager** may also hold the position of the Operations Manager
- Ensuring that all staff are familiar with the Anti-fraud, Bribery and Corruption Policy
- Identifying the risks involved in the contracts for which they are responsible
- Developing the local control systems necessary to prevent and detect fraud
- Reviewing and testing regularly the control systems for which they are responsible to ensure they are operating effectively
- Ensuring that staff have received appropriate training on control systems and that controls are complied with
- Notifying the Organization Risk Committee when any case of suspected fraud is reported to them.
- Ensuring that vendors and sub-contractors have an anti-fraud policy and procedures in place and meet the contractual requirements relating to the prevention of fraud and dealing with suspected incidents of fraud
- Assist sub-contractors in developing appropriate controls systems to prevent and detect fraud if appropriate

7.3.4. Organization Risk Committee Responsibilities

The Organization Risk Committee is responsible for:

- Development and regular review of the Anti-fraud, Bribery and Corruption policy

- Ensuring that all managers and staff are aware of FAME foundation Anti-fraud, Bribery and Corruption Policy through the dissemination of information and provision of relevant training
- Providing advice and assistance to the Operations Manager in the application of the policy should a case of suspected fraud occur
- Heading up an investigation team in response to a report of suspected fraud, when required to do so by the Risk Management Incident Group.
- Reporting to the Risk Management Incident Group on the progress of any investigation.

7.3.5. Media and Communications Officer Responsibilities

The Media and Communications Officer is responsible for:

- Responding to media enquiries which may arise from a case of fraud or corruption.

7.3.6. Human Resource Officer Responsibilities

- Ensuring that disciplinary action is taken against perpetrators of fraud
- Preparing the response to requests for references for any member (or former member) of staff who has been disciplined or prosecuted for fraud.

7.3.7. All Staff Members are responsible for

- Being alert to the possibility of fraud and taking special care if unusual events or transactions occur.
- Reporting details immediately if they suspect that fraud is taking/has taken place or if they see any suspicious acts or events.
- Co-operating fully with any internal checks, reviews or investigations.
- Employees are required to fully disclose any situation in which his or her personal interests may conflict with those of the company.

Table containing functions, Activities and line of responsible FAROF actors - **Attachment E**

8.0. GIFTING POLICY

Any employee who is or might be influenced by personal considerations which may hinder objective decision-making must seek advice from an appropriate senior officer. Employees and their families must not accept directly or indirectly, any money, gifts or hospitality which could influence or appear to influence decisions they make on behalf of the organization. Staff responsible for the purchase of supplies, equipment or services must take particular care to

ensure that there can be no criticism that unequal treatment has been given to suppliers involved in tendering processes, through the acceptance of gifts or other benefits.

Employees who are offered a gift as an inducement for preferential treatment must decline or return it as appropriate, with a suitably courteous letter explaining the organization's policy. Employees should not give any gift or hospitality with the expectation that they and/or the company will benefit from it, since this may constitute a bribe. The acceptance and/or offer of small gifts and/or casual hospitality such as business lunches, dinners or invitations to events, is acceptable within reasonable grounds, as long as it is a normal and appropriate expression of business courtesy and that the recipient is not placed under any obligation.

If a member of staff is in any doubt as to the propriety of giving or receiving any gift or hospitality then he/she must consult his/her line manager.

8.1. The Procurement Of Supplies & Services Policy & Framework Refers. Corruption And National Or Local Government Officials

Contacts with and/or gifts to or from national or local government officials can be particularly sensitive. Employees must not offer or provide, either directly or indirectly, any pecuniary or other advantage to or for a public or corporate official in order to obtain or retain business or secure any improper business advantage. Any employee who is asked by a government or corporate official to circumvent these rules must immediately report the matter to Executive Director.

8.2. Political Contributions

Employees should not make any contributions to either individual politicians or political parties in order to secure political or commercial influence on behalf of the organization. (This does not preclude private donations to political parties made by individual employees which otherwise would be lawful).

9.0. ANTI - FRAUD ARRANGEMENTS WITH SUB-CONTRACTORS/ VENDORS

FAROF expects its vendors and delivery partners to maintain high standards of conduct and probity and to have in place anti-fraud processes similar to that of the organization. All of FAROF's staff should therefore be required to:

- Have in place anti-fraud and confidential disclosure policies and procedures
- Immediately report any case of suspected fraudulent activity by its employees to FAROF's Operations manager who will then initiate an investigation following the procedures outlined in this policy
- Immediately suspend any member of staff who is suspected of fraud
- Ensure that all its employees are informed about and have access to its anti-fraud and confidential disclosure policies.

Where necessary, FAROF will assist providers in developing appropriate control systems to prevent and detect fraud when appropriate. Where a potential vendor is judged to have inadequate processes and is unwilling to commit to the standards of the organization, FAROF will not do business transactions with such vendors.

10.0. RISK MANAGEMENT RESPONSE PLAN

10.1. Initial Response:

Any suspicion of fraud, bribery and corruption (whether perpetrated by a member of FAME foundation staff or by a third party) must be reported without delay to a manager who without delay should escalate to the **Organization Risk Committee**. No investigations should be undertaken at a local level by managers or other staff. Internal investigations could be counterproductive to the investigative process and hamper efforts to promote an independent and transparent process.

10.2. Risk Escalation

At any time during an investigation, the initial risk status may escalate (or deescalate) at which time the Organization Risk Committee will notify, in liaison with Operations Manager and the Chief Executive Officer.

10.3. Risk Management Incident Group

The Risk Management Incident Group comprises key company stakeholders best placed to advise, direct and manage serious incidents. All members or a combination of representatives may be called upon.

10.3.1. The Risk Management Incident Group

The Risk Management Incident Group will determine what immediate action should be taken, for example, whether the matter should be immediately reported to the police and how the investigation will proceed.

10.3.2. Duties of the Risk Management Incident Group

- Liaise with the Operations Manager in respect of notifying the funder as required by the contract.
- Identify any disciplinary action required

- Identify any criminal proceedings to be taken

10.3.3. Gathering and Securing Evidence

The Organization Risk Committee should maintain a chronological record of events, giving a full explanation of each action and event during the course of the investigation. As considerable time may elapse between the start and conclusion of the investigation, it is important that a detailed record is maintained to aid recall to all relevant events. A successful criminal prosecution may also depend on these details. The following should be logged:

- Details of all telephone calls, faxes, e-mail and any other forms of communication
- A formal record of all interviews and meetings
- A clear record of where and how documents and other evidence were obtained.

Where there is a possibility of subsequent criminal proceedings, the Risk Management Incident Group will nominate the Organization Risk Committee members to refer the matter to the police and seek advice from them on the conduct of internal enquiries, to ensure that any potential criminal case is not prejudiced.

10.3.4. Media Enquiries

Any media response plan should be consented to by the Risk Management Incident Group. Enquiries from the media in respect of any case of fraud, theft, bribery or corruption should be referred to the Media and Communications Officer who will make any statement to the media.

11.0. REFERENCES

Attachment A: Definition and Examples of Fraud and Corruption

Attachment B: Description of Anti-Fraud and Corruption Reporting Hotline (“FAROF Line”)

Attachment C: Suggested Language for Contracts with External Parties

Attachment D: Initial Investigation of Suspected Fraudulent Act Report

Attachment E: Table containing functions, Activities and line of responsible FAROF actors

This policy is signed and approved by:

Chairman Board of Trustees:

Date: 15th December 2023

Signature



Chief Executive Officer

Date: 15th December 2023

Signature:



Definition and Examples of Fraud and Corruption

Key Definitions

Responsible:

The role or person or entity that is 'Responsible' to perform the work. In other words the 'doer' of the task or activity. The 'Responsible' need not be accountable for that task, even though in some cases the same person can be 'Responsible' and 'Accountable'.

Accountable:

The entity who has the final authority and accountability to a given task. For any given task, there is only one entity accountable.

Consulted:

Entities/people/roles whom we consult and get advice from before and during performance of the task.

Informed:

Informed are the entities/people/roles who we inform after we complete the task.

FAROF Member:

Any member of FAROF as well as any of its country offices and all other locations.

FAROF Member Partners:

FAROF Member Partner, are any FAROF Partner who is holding and managing the donor contract.

Entity:

A term representing an independent legal part of FAROF.

Lead Member-LM:

Lead Member, a FAROF Member responsible for overseeing and managing any FAROF office(s) in any location.

Office:

The part of FAROF which is initially notified of a suspicious activity.

Limits of responsibility:

Each FAROF entity is responsible only for offices that they directly manage/ oversee (if any). FAROF Member Partners are responsible for the relationship, role and regulations related to the specific donors that they have contracts with. No entity is expected to be responsible for activities that are not in its domain of control.

• **Assets:** includes physical property, intellectual property of FAROF or tangible assets such as equipment and machinery, systems, facilities, materials and resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property, and relationships with donors, grantees, sub-grantees and third parties, and all other proprietary and confidential information of FAROF.

Designated stakeholders: includes FAROF's employees, volunteers and third parties including grantees.

Code of conduct: code of conduct is a set of rules outlining the responsibilities of, or proper practices for an individual, party or organization.

Gift: a gift refers to anything of economic value given freely or at a reduced price from one person to another.

Fraud: fraud is civil or criminal deception, which includes but is not limited to, intent to gain unfair or unlawful financial or personal benefit or to cause loss to another party, such as by misappropriation of assets, abuse of position, collusion, false representation, prejudicing someone's rights, abuse of position and/or obtaining services dishonestly.

Bribery:

i) The offer, promise or receipt of any gift, hospitality, loan, fee, reward or other advantage to induce or reward behaviour which is dishonest, illegal or a breach of trust, duty, good faith or impartiality in the performance of a person's functions or activities (including but not limited to, a person's public functions, activities in their employment or otherwise in connection with a business, influencing the Government official in the performance of their public function) Bribery includes not only direct exchanges, but also authorising or permitting an associate or third party to commit any of the acts or take any part in the actions identified.

Government Official:

- i) An officer or employee of any government;
- ii) An officer or employee of any public international organization (e.g., the United Nations, World Bank, or International Monetary Fund);
- iii) An officer or employee of any department, agency, or instrumentality of any government or of any public international organization;
- iv) An officer or employee of any government-owned or government-controlled company;
- v) A political party or political party official; or
- vi) Anyone, whether a private person or otherwise, acting in an official capacity on behalf of any of the above or of any government entity.

Investigator: A person appointed by the Chief Executive Officer (CEO) office in connection with conducting an investigation.

Examples of Fraud and Corruption

- Intentional concealment, omission, falsification or perversion of truth
- Inducing another to part with some valuable item or surrender a legal right
- Nepotism
- Bribery, kickbacks and/or gratuities
- Collusive behavior with vendors
- Keeping false records,
- False claims (e.g. requesting payment for goods, services or activities not actually performed)
- Embezzlement, and theft
- Receiving or providing financial and non-financial favors with the intent of facilitating activities that the person may not normally receive
- Conflict of interest

Falsification, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account (including, but not limited to timesheets, payroll, accounts, travel and expense reports, procurement documents or inventory/asset registers)
- Forgery or alteration of a cheque, bank draft, or any other financial documents
- Misappropriation of funds, commodities, securities, supplies, equipment, or other assets
- Impropriety in the handling or reporting of money, financial transactions, or bidding procedures
- Accepting or seeking anything of material value from suppliers or persons providing services/materials as provided by applicable policies on gifts
- Destruction or misappropriation of records, furniture, fixtures, or equipment
- Diversion, alteration, or mismanagement of documents or information, and/or any similar or related irregularity
- Any malicious use of internet and IT documents or messages
- Cybercrime and/or identity theft

Attachment B

FAROF Whistleblower Hotline or “FAROF Line”

FAROF is committed to preventing, detecting and correcting fraud, misappropriations, discrimination, sexual harassment, exploitation and abuse, support of terrorism, and other wrongful conduct.

We want to know if you suspect, or have observed or experienced, wrongful conduct. The earlier we find out that something is going wrong in our organisation the sooner we can do something about it. We encourage you to share any concern that you may have.

Any FAROF employee or volunteer, partner, vendor, programme participant, or other outside party, may use this service to report wrongful conduct.

All reports of wrongful conduct will be taken seriously, and an investigation will be conducted. Reports may be submitted anonymously, and will be kept confidential to the greatest extent possible consistent with the need to conduct an adequate investigation.

We will treat disclosures of wrongful conduct seriously and protect those who raise concerns in good faith. No employee will suffer harassment or retaliation.

On this site you may report a concern online or by phone. You may also follow up on a report.

To make a report on the hotline, you may:

- Send an email to whistle@farof.org
- Call the hotline using a specific telephone access number: +2347081333335.

If you have any questions, please email legal@farof.org



Suggested Agreements with External Parties

Fraud and Corruption. FAROF does not tolerate fraud and corruption, and we expect the same from everyone with whom we work. [Insert outside party defined term] shall maintain and comply with written codes of conduct and policies and procedures that protect against any form of fraud and corruption, bribery, kickbacks, conflicts of interest, and others. Upon request, [insert outside party defined term] shall share with FAROF its applicable codes of conduct, policies and procedures. [Insert outside party defined term] shall inform FAROF immediately (within twenty-four hours) and in writing of any instance of actual or suspected fraud or corruption related to its work hereunder and shall respond promptly to and fully cooperate with any investigation FAROF or any donor, in their discretion, may require. [Insert outside party defined term] shall make all staff aware of and encourage reporting of any suspected or actual fraudulent or corrupt behavior to FAROF's global whistleblower hotline which enables confidential reporting of fraud and provides specific telephone access to report fraud. [Insert outside party defined term] shall be financially responsible for any losses due to fraud, and shall promptly refund such amounts to FAROF.



Attachment D

Initial Investigation of Suspected Fraudulent Report

Pursuant to FAROF's Policy on Fraud and Corruption Prevention, Awareness, Reporting and Response, each FAROF office or entity receiving an allegation of fraud or corruption must complete and submit this report immediately (within three business days). This form should be submitted in all cases regardless of donor, amount, or materiality, and should be submitted prior to a full investigation. The FAROF Manager or his/her delegate should transmit this document electronically to the appropriate senior management. **One or two sentence responses to each item below are sufficient for purposes of this initial report.**

- 1) FAROF Office or Entity: _____
- 2) Donor(s) and project(s) compromised: _____
- 3) Date of discovery: _____
- 4) Method of discovery: _____
- 5) Date reported to funding FAROF Member Partner (if applicable): _____
- 6) Details: _____
- 7) Amount or value (estimate if necessary): _____
- 8) Initial internal control weaknesses or systems failures identified: _____

- 9) Initial remedial actions taken: _____

- 10) Potential for additional related fraud or corruption losses: _____

- 11) Initial determination of fraud/corrupted amount: _____
- 12) Initial determination if donor reporting is required: _____

[Attach additional pages or attachments if necessary]



Attachment E

Table containing functions, Activities and line of responsible FAROF actors -

Definitions: Responsible	The role or person or entity that is ‘Responsible’ to perform the work. In other words the ‘doer’ of the task or activity. The ‘Responsible’ need not be accountable for that task, even though in some cases the same person can be ‘Responsible’ and ‘Accountable’.
Accountable	The entity who has the final authority and accountability to a given task. For any given task, there is only one entity accountable.
Consulted	Entities/people/roles whom we consult and get advice from before and during performance of the task.
Informed	Informed are the entities/people/roles who we inform after we complete the task.
FAROF Member	Any member of FAROF as well as any of its country offices and all other locations.
FAROF Member Partners	FAROF Member Partner, are any FAROF Partner who is holding and managing the donor contract.
Entity	A term representing an independent legal part of FAROF.
Lead Member-LM	Lead Member, a FAROF Member responsible for overseeing and managing any FAROF office(s) in any location.
Office	The part of FAROF which is initially notified of a suspicious activity, this responsible Parties/part are the CEO’s and/or Finance office and/or Donor representative officer.
Limits of responsibility	Each FAROF entity is responsible only for offices that they directly manage/ oversee (if any). FAROF Member Partners are responsible for the relationship, role and regulations related to the specific donors that they have contracts with. No entity is expected to be responsible for activities that are not in its domain of control.

Function	Activity	Responsible	Accountable	Consulted	Informed
1)Prevention and awareness (entity's own offices and overseas offices that they manage)	a. Orientation and training for new staff, partners, refresher trainings.	Office	Lead Member	FAROF Member Partners	FAROF Member Partners
	b. Systems review, spot-checks, internal audits.	Office, Lead Member, FAROF Member Partners	Lead Member	FAROF Member Partners	Lead member, FAROF Member Partners Donor
	c. Internal controls in place	Office	Lead Member	FAROF Member Partners	FAROF Member Partners
	d. Donor regulations, policies and reporting procedures,	FAROF Member Partners	Lead Member	Donor	Donor

2)Violation alert (tip-off, verbal or written report)	a. FAROFLine report received and shared to implicated entities.	Legal	Finance	FAROF Member Partners	Implicated Lead Member and/or FAROF Member Partners
	b. Report through FAROF general email received and shared with implicated entities.	Legal	Finance	FAROF Member Partners	Implicated Lead Member and/or FAROF Member Partners
	c. Report received by a Lead Member and shared with implicated entities.	Lead Member	Lead Member	FAROF Member Partners	Implicated FAROF Member Partners
	d. Report directly to an office received and shared with implicated entities.	Office	Lead Member or related entity	FAROF Member Partners	Implicated FAROF Member Partners

3)Initial Investigation	a. Conduct initial investigation constantly.	Office	Lead Member or related entity	FAROF Member Partners	Implicated FAROF Member Partners
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	b. Results are shared in preliminary report along with recommendation for further /larger investigation.	Office	Lead Member or related entity	FAROF Member Partners	Implicated FAROF Member Partners
	c. Reporting back to complainant if necessary.	Office	Lead Member or related entity	FAROF Member Partners	Implicated FAROF Member Partners
	d. Initial donor report.	FAROF Member	FAROF Member Partners	FAROF Member	Office, Lead

4) Reporting and corrective actions	a. Action / corrective action plan developed and shared.	Office/Lead Member	Lead Member or related entity	FAROF Member Partners	Implicated Lead Member
	b. Donor report.	FAROF Member Partners	FAROF Member Partners	FAROF Member Partners	Office, Lead member

All FAROF entities are expected to coordinate their efforts in order to ensure maximum efficiency

	c. Implement appropriate sanctions and corrective measures	Office/Lead Member	Lead Member or related entity	FAROF Member Partners	Implicated FAROF Member Partners
5) Major Investigation	e. Sourcing external assistance if needed (e.g., TOR, cost, etc.)	Office/Lead Member	Lead Member or related entity	FAROF Member Partners	Implicated FAROF Member
	f. Draft report and recommendation produced and shared.	Office/Lead Member	Lead Member or related entity	FAROF Member Partners	Implicated FAROF Member Partners
	g. Feedback for report finalization.	Office/Lead Member	Lead Member or related entity	FAROF Member Partners	Implicated FAROF Member Partners