

NIGERIAN RED CROSS SOCIETY



**ANTI-FRAUD
AND CORRUPTION
POLICY**

AUGUST 2021



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1.1 Introduction

The Nigeria Red Cross Society (NRCS) is committed to high integrity and ethical standards, transparency and accountability in relating with all internal and external stakeholders and Partners. This Policy outlines the NRCS's approach to the prevention and control of fraud and corruption, including the investigation procedures that will be followed if there are suspicions of fraudulent or corrupt practices. If fraud or corruption is proven, appropriate disciplinary measures and legal action will be taken.

The purpose of this policy is:

- Serves as a deterrent for all Governance members, employees, members, volunteers, partners and contractors to refrain from corrupt and fraudulent conduct and encourage the reporting of any instance of fraud or corrupt conduct.
- Provide a framework for conducting investigations to ensure that all suspected fraudulent and corrupt activities are dealt with appropriately.
- It outlines exactly how and where to submit complaints or concerns; who deal with complaints; and how complaints are expected to be handled, processed and documented.
- Also describes the standards and principles that are expected to govern the processing of all allegations, complaints and concerns.

1.2 Scope of this Policy

1.2.1 This policy applies to all relevant persons of NRCS. Relevant persons include Governance members, employees, members, volunteers, partners, and contractors.

1.2.2 This policy is divided into 2 parts; part I includes sections that are useful for and made available to all relevant persons, as well as being publicly available on the website.

1.2.3 Part II includes sections that are used for the Governance and senior management leadership team and employees in responding to allegations and incidences of fraud and building an anti-fraud culture.

1.3 Fraud and Corruption

1.3.1 Definition of Fraud, Corruption and Bribery

Fraud: Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving again.

Corruption: Corruption “is the abuse of entrusted power for private gain, [including bribery”]

Fraud and corruption do not necessarily imply immediate financial benefits for the individual(s) committing fraud or corruption but may cause financial or reputational damages to the organization.

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

The Federal Republic of Nigeria considers such offenses to be criminal and/. This policy does not contradict Nigerian law.

Some examples of fraud, corruption and bribery relevant to NRCS are described in Appendix 1.

1.4 Zero tolerance on Fraud or Corruption

- NRCS's position to fraud and corruption is a zero-tolerance approach and we are committed to pursuing this approach throughout our operational practices for the following reasons:
- NRCS recognizes the significant risk that fraud and corruption pose to the achievement of its aims and objectives. Any money that is lost to fraud or corruption is money that cannot be used to achieve our objectives.
- Corrupt behaviour also seriously damages our reputation. The eradication of fraud and corruption in the way we operate is of great importance to securing the trust and confidence of all our stakeholders.
- We owe it to the communities that we operate in a manner that does not condone fraud or corruption. Corruption creates unstable societies. It destroys public and business standards, and forces ordinary people to use resources that they can ill afford in their interactions with the government and other public bodies.

1.4.1 All members of staff and the Governance, together with volunteers and contractors are required to sign the zero-tolerance declaration form (Appendix 2) during induction and annually thereafter.

1.4.2 We support the application of the zero-tolerance policy by providing:

- **Direction and rules** to establish appropriate and expected behaviour
- Effective **deterrents** to inappropriate behaviour in the form of meaningful consequences
- **Prevention** measures to reduce the risk of fraud or bribery occurring
- **Detection** measures to identify fraud or bribery if it happens, including speaking up lines
- **Response** measures to ensure we react well to suspicions, allegations and proven incidents of fraud & bribery, including protection and fair treatment for accusers and accused.
- **Measurement** processes to evaluate the impact and success of our antifraud & bribery policy and management of risk.

- Deliberate proactive steps to embed anti-fraud & bribery thinking into our culture, including staff training and awareness.
- 1.4.3** Anyone found guilty of fraud or bribery will be subject to disciplinary measures which will ordinarily include dismissal, prosecution and recovery of losses
- 1.5 Conflict of Interest**
- 1.5.1** A conflict of interest exists where an employee or a Governance member has an interest, relationship, or friendship that could, or could be seen to interfere with their ability to decide an issue in the best interests of NRCS.
- 1.5.2** The purpose of this policy is to ensure that all conflicts of interest are declared, that declared conflicts are managed to mitigate the associated risks and that decisions and actions are documented to ensure transparency and accountability.
- 1.5.3** Examples of conflicts of interest include (but are not limited to):
- Relationships between members of the senior management Leadership Team accounts staff, procurement staff, HR staff or Governance members and any other staff member. Relationships between any person and their line manager
 - Relationships between NRCS staff or Governance members and suppliers, donors, grantees, beneficiaries, or job applicants.
 - A ‘relationship’ in this context could include family, romantic relationships, being a bank signatory, advisor, or Governance member.
- 1.5.4** The existence or discovery of a conflict of interest does not constitute a breach of policy as long as it is disclosed as soon as possible.
- 1.5.5** The following people are required to make annual conflict of interest declarations.
- Governance Members
 - Senior Management Team
 - Staff in finance (accounting), procurement and HR
- 1.5.6** All staff (including those listed above) is required to disclose conflicts of interest as soon as they arise or the staff member becomes aware of the conflict of interest. Examples of such disclosures would include:
- A close friend of a staff member applies for a job with NRCS.
 - A potential supplier presented to the procurement committee is a company where a committee member is a Governance member.
- 1.5.7** The recruitment conflict of interest declaration form (Appendix 4) should be signed by all relevant persons involved in the development or design of selection tools, those with access to the selection tools, and those involved in the selection process. It should be signed as soon as all the applications are received and before any shortlisting.

- 1.5.8** The Procurement Committee meeting agenda should always include a clear listing of all suppliers on the approved supplier's list, as well as all those who have provided quotes for the purchases under consideration. All members present should be required to declare that they have no interests in any of the suppliers under consideration at that meeting, and this should be recorded in the minutes.
- 1.5.9** If a conflict arises or is discovered, it should be immediately declared.
- 1.5.10** Appropriate actions should be taken to resolve the conflict of interest which may be temporary or permanent, for example:
- A procurement committee member being removed from a particular supplier selection decision in which they are conflicted.
 - A conflicted staff member is removed from all aspects of the recruitment and selection process.
 - One person in a romantic relationship within the NRCS leaves.
- 1.5.11** The steps taken to manage the conflict of interest and mitigate the risk of a conflicted decision taken should be documented on the declaration form.

1.6 Gifts and Entertainment

- 1.6.1** Gifts and entertainment should never be used or allowed to influence business decision-making.
- 1.6.2** When offers of gifts and entertainment are made or accepted in situations where they are not appropriate, they can look like, or maybe bribes. They can expose us to accusations of unfairness or even break the law and can put our reputation at risk of ethical behaviour.
- 1.6.3** Positive, healthy, normal business practices can include accepting and making offers of gifts and entertainment, which develop and maintain positive and strong business relationships. We should be able to accept and make offers of gifts and entertainment ONLY when they are appropriate, i.e. when they:
- Are proportionate in the context; and
 - Do not create any sense of expectation or obligation on the recipient or the giver.
- 1.6.4** The following gifts may never be offered or accepted, and will always be deemed inappropriate.
- Cash of any amount
 - Any gift with a value exceeding N10, 000.
 - Any entertainment worth more than N20, 000.
 - Any gifts or loans from existing suppliers or prospective suppliers while a tender process is underway.
 - Any gifts or loans to staff involved in supplier selection decisions (e.g. Procurement Officer or member of Procurement Committee).

- Entertainment involving gambling, anything of a sexual nature or exploitation of others.
- 1.6.5** It is never allowed to request a gift or entertainment. In some circumstances, an element of judgment is required to decide whether a gift is appropriate or not. If any staff or Governance member is in any doubt, they should consult the line manager and obtain written permission before accepting or offering a gift.
- 1.6.6** The following circumstances imply the giving or receiving of a gift or entertainment offer may be appropriate:
- The giving and receiving of the gift or entertainment strengthens a genuine business relationship.
 - The gift or entertainment does not constitute an attempt to apply undue influence and does not create an undue obligation.
 - The gift or entertainment is given or accepted in the open rather than in secret.
 - The gift or entertainment is given to celebrate a recognised cultural event such as Christmas or New Year.
 - The gift or entertainment is given to the Society or a group of people (department) rather than an individual.
 - The gift or entertainment is branded marketing materials (pens/notebooks etc).
 - The value of the gift or entertainment is not excessive or abnormal in social context.
 - The timing of the gift or entertainment is not suspicious.
- 1.6.7** The following circumstances imply the giving or receiving of the gift or entertainment may be inappropriate:
- The timing, nature or circumstances of the gift means it could be perceived as an attempt to influence a business decision.
 - The giver feels obligated, or the receiver feels entitled.
 - The gift is given or received in secret.
- 1.6.8** If any staff or Governance member is offered an inappropriate gift they should politely decline it and inform their line manager or Governance chair.
- 1.6.9** In the event that declining an inappropriate gift in the moment that it is given might be culturally inappropriate or embarrassing, it should be returned within no less than a week, with appropriate documentary evidence to prove that the gift was returned.
- 1.6.10** In the event that an inappropriate gift is received publicly, steps should be taken to restore the reputation of the organisation, in addition to returning the gift.
- 1.6.11** In the event that inappropriate gifts are received without consent (such as courier deliveries, bank or mobile money transfers), these should be declared

immediately using the conflict of interest declaration forms. Steps should be taken to return the gift or notify authorities if money laundering is suspected.

- 1.6.12** Inappropriate gifts received by employees and subsequently declared should not be received into the organization's funds – rather they should in all cases be returned.
- 1.6.13** Appropriate gifts, given to the organisation as a whole, or to a particular team, should normally be enjoyed or shared by all relevant staff members (e.g. hampers or flowers). Where an appropriate item is not easily sharable, it should be raffled by some random and transparent means.

1.7 Reporting/SpeakingUp (whistleblowing)

- 1.7.1** Every, Governance member, member, employee, volunteer or third party dealing with NRCS has the duty to report any knowledge or suspicion of an occurrence of fraud, corruption or bribery. Please note that facilitation or concealing of any fraudulent or corrupt action is also reportable behavior.
- 1.7.2** NRCS's policy on speaking up is designed to build the confidence of relevant persons to report genuine concerns about fraud, bribery or other types of misconduct. For many cases of misconduct, someone reporting it is the only way it can be discovered and dealt with.
- 1.7.3** If an individual believes they have such information they must report as soon as possible for the organization to take action to quickly remedy the situation.
- 1.7.4** The report should focus on providing facts in their disclosure, not simply speculation, and provide as much detail as possible to support a thorough investigation
- 1.7.5** NRCS will address any concerns raised with the reporting person within 48 hours, assuming contact details have been provided.
- 1.7.6** Information about the speaking up lines will be made available
- On the website, and findable by site search
 - On a poster displayed in the office
 - Within this policy, located in a searchable directory on the organisation's electronic filing system.
- 1.7.7** Proven abuse of the process by raising knowingly false, vexatious or malicious allegations will be regarded as a serious breach of the Code of Conduct and may also result in disciplinary measures and legal action.
- 1.7.8** A genuine concern should be reported when there is evidence or strong suspicion of misconduct in any of the following areas:
- Fraud or bribery
 - Sexual misconduct
 - Harassment
 - Any illegal act

1.7.9 Concerns may be reported, either in person or by email using any of the speaking up lines below:

Email: integrity@redcrossnigeria.org

web link: <https://ifrc.integrityline.org>

1.8 Supporting reporting persons

1.8.1 NRCS has zero-tolerance to any form of retaliation against reporting persons (also known as ‘whistleblowers’).

1.8.2 All relevant persons who report genuine concerns will be properly protected and supported.

1.8.3 Details of any allegations or suspicions raised should be recorded on the fraud, bribery & misconduct report form (Appendix 6) and submitted to the Secretary-General or RAC. as necessary

1.8.4 NRCS commits to take the support of reporting persons seriously by:

- Taking care not to underestimate or disregard the risk that a reporting person may be exposed to, or the level of fear or anxiety they may be experiencing.
- Appointing someone with responsibility for supporting the reporting person (the ‘support person’). Usually, this will be their line manager.
- Providing the support person with relevant information to share with the reporting person, unless they are a member of the Fraud Response Team.
- Assuring the reporting person that their concern is being handled and taken seriously.
- Explaining that their identity will be protected to every extent possible but cannot be guaranteed.
- Answering questions as appropriate and providing emotional support but not sharing confidential information with the reporting person.
- Informing the person of any decision to investigate or not, investigation outcome, and actions taken as appropriate.
- Taking necessary steps to ensure the safety of any reporting person, even if there is a cost implication, in cases where the person experiences or fears retaliation or harassment.

1.9 Confidentiality of Information and Identity Protection

1.9.1 The NRCS, including all persons designated to handle complaints under this Policy, will seek to keep all communication confidential to the fullest extent permitted under law and to the extent possible, consistent with the need to conduct an adequate investigation.

1.9.2 A Complainant is encouraged to put a name to any complaint he/she makes, but it may also be made anonymously.

- 1.9.3** Individuals who report in good faith suspicions of fraud or corruption shall not discuss the matter with anyone other than the person to whom the report is made unless it was not addressed to the right person in the first place or, as otherwise directed.
- 1.9.4** Disclosure of information relating to an investigation under this policy by any staff, volunteer or partner shall be viewed as a serious disciplinary offense and, with respect to employees, or volunteers may result in discipline, up to and including termination of employment. Depending on the circumstances, such conduct may also give rise to other actions, including civil or criminal lawsuits.
- 1.9.5** Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the organization from potential civil liability.
- 1.10 Acting in Good Faith**
- 1.10.1** Anyone filing a complaint under this Policy must be acting in good faith and have an honest belief that the complaint is well-founded, including reasonable factual or other bases.
- 1.10.2** Depending on the circumstances, such conduct may also give rise to other actions, including civil or crimin

