

Dushtha Shasthya Kendra (DSK)

Anti-corruption policy

DSK HQ

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Table of Contents

<u>FRAUD PREVENTION POLICY</u>	2
<u>HOW TO REDUCE RISK AND RESPOND TO PROBLEMS</u>	3
<u>BASIC RESPONSIBILITIES FOR ALL STAFF, VOLUNTEERS, CONSULTANTS AND TRUSTEES:</u>	3
<u>ADDITIONAL RESPONSIBILITIES:</u>	3
<u>Finance Staff, Cheque Signatories, Budget Holders</u>	3
<u>Managers</u>	3/4
<u>Chief Executive and Senior Management team</u>	4
<u>DSK Executive Board</u>	4
<u>WHAT TO DO IF THINGS GO WRONG – SUMMARY:</u>	5
<u>FRAUD RESPONSE PLAN – ADVICE FOR MANAGERS</u>	5
<u>ALERTING OTHERS ABOUT FRAUD RISKS OR INCIDENTS – ADVICE FOR EVERYONE</u>	6
<u>“Whistle-blowing” Policy</u>	6

[Why a separate document?](#)

- Fraud is a rare occurrence – but very damaging when it happens.
- This document is to help all of us involved with DSK understand our part in keeping the risk of fraud very low indeed.
- If things go wrong, everyone needs to know what to do about it.

Fraud Prevention Policy Statement

Aim of the Policy:

To help staff and trustees fulfil their role in protecting DSK's reputation and resources from the effects of fraud or attempted fraud.

Definition:

Fraud covers a range of irregularities and illegal activities characterised by intentional dishonesty or deception which can drain value from DSK, directly or indirectly, whether or not there is personal benefit to the fraudster. Fraud includes the offering or acceptance of bribes. The following are examples of fraud, but are not exhaustive:

- Dishonestly obtaining money, assets, use of assets, services, information or advantage for the individual concerned or for a third party (e.g. a contractor)
- Dishonestly causing a loss, damage or disadvantage to DSK or another party (e.g. contractor, individual, employee, donor, volunteer)
- Carrying out DSK business with corrupt or dishonest practice

Statement of Standards:

DSK is committed to the highest possible standards of financial stewardship and an organisational culture of good governance, openness and accountability.

Fraud, financial misconduct, bribery or corruption of any kind will not be tolerated.

DSK is resolved to go about its business lawfully in every area of activity.

Fraud or attempted fraud including offering or acceptance of bribes by staff members will always lead to disciplinary procedures and may lead to police action and prosecution.

Executive committee members and staff are required to actively uphold these standards personally, as well as to report any suspicions and concerns about risk of fraud or perceived fraudulent activity immediately.

DSK's internal financial control systems and procedures are designed to ensure full accountability for the proper use of resources and a good level of protection against fraud. Individual staff members are responsible for knowing them and following them in the interests of protecting funds; DSK's and their own reputations. Failure to comply with DSK's financial management systems will be treated seriously even where no loss is evident, because of the risk of fraud or

loss to which DSK was exposed. Serious breaches will be treated as a disciplinary matter.

How to reduce risk and respond to problems:

Basic Responsibilities for all Staff, Volunteers, Consultants and Trustees

- *Look after DSK funds and resources with high level of care and honesty.*
- *Follow agreed procedures for spending and claiming money.*
- *Do not make personal use of DSK's resources without permission, and where you have permission reimburse cost promptly.*
- *Advise a senior manager if you notice any breach of financial guidelines, fraud or potential for fraud.*

Additional Responsibilities:

Finance Staff, Cheque Signatories, Budget Holders

Are required to fulfil all the responsibilities above, plus:

- *Set an example of high standards of financial care, transparency and accountability.*
- *For every payment you authorise, prepare or sign, ensure there is proper confirmation and documentation from the budget holder and that all other authorisation procedures are followed.*
- *Remember **never** sign a blank cheque. **Always** keep cheques and cash locked away when not in use.*
- *Use the bank! Minimise the use of cash – only small payments or receipts should be made or accepted in cash as per accounting procedure at DSK.*
- *Ensure there is a contract or other document for every grant received, stating the amount and terms of the grant. Donors should be asked to pay grants by cheque or bank transfer. If an individual donor insists on paying cash, bank the funds immediately.*

Managers

Are required to fulfil all the responsibilities above plus:

- *Ensure new staff or consultants are inducted in DSK's financial procedures relevant to their post, and given a copy of DSK's Fraud Prevention policy. If appropriate to their post they should also be given a copy of the DSK Programmes Financial Manual, translated from English if necessary.*

- *Ensure reliable references both written and verbal are gained for all staff, consultants and volunteers, which should include confirmation of their record of honesty.*

Managers (continued)

- *Be alert to levels of morale and adherence to existing guidelines and take immediate steps to remedy any problems.*
- *Be open to staff asking questions and expressing concerns informally.*
- *Ensure staff know what to do if they suspect wrong doing.*
- *Where there is evidence of fraud, take appropriate Fraud Response.*

Executive Director, Directors and Senior Management team

Are required to fulfil all the responsibilities above plus:

- *Maintain overview and take lead in handling incidents if appropriate.*
- *Maintain Fraud Register and review and report periodically to the Executive Committee – at least annually.*
- *Make recommendation to Executive Committee if incidents of fraud are judged serious enough to report to the Executive Board.*
- *Update policy as appropriate, ensure it is understood and maintained in practice, and learning is shared.*

DSK Executive Committee

- *Maintain strategic control and overview of Fraud Prevention.*
- *Review Fraud Register at least annually.*
- *Report serious incidents of fraud.*

What to do if things go wrong - summary:

Fraud Response Plan – Advice for Directors/Senior Coordinators/Managers

When there is evidence of fraud you must:

- *Limit potential loss (e.g. review safe keeping of chequebooks, money, assets, and as appropriate alert bank, suspend bank signatory/ies if appropriate).*
- *Investigate the incident or concerns promptly – if suspension or dismissal of a staff member is warranted, follow the Disciplinary Procedure.*
- *Alert your line manager and the Finance Director, or the Executive Director or President DSK.*
- *Report any evidence of criminal activity to the police.*
- *Send a preliminary [FRAUD REPORT FORM](#) to Executive Committee.*

Where fraud is proven against one or more individuals:

- *Use the disciplinary process – usually dismissal is warranted.*
- *Let other interested parties know details of the incident as appropriate to prevent others from future loss: e.g. donors, colleagues, other agencies, members of the public.*
- *Recover the loss where possible by arrangements with the fraudster. In some cases deduction from final salary or benefits may be possible **without** their permission. Legal action for recovery of funds should only be taken after careful consideration of legal advice.*
- *Update and send a final [FRAUD REPORT FORM](#) to Executive Committee.*
- *Ensure lessons are learned and shared if fraud is the result of any internal control weaknesses. Discuss with auditor. Strengthen relevant internal controls.*

Alerting others about fraud risks or incidents – advice for everyone

Where there is **evidence or suspicion** of financial misconduct, the priority must be to PREVENT LOSS and ALERT the organisation to the problem. Once any emergency protective measures have been taken, the incident should be reported to a senior manager who should handle it as summarised elsewhere in this document:

Programme Staff

Should immediately report the incident or concern to the Executive Director/CEO/Finance Director. If you are unable to discuss with the Executive Director you should report it to President of the Executive Committee/President of Finance Sub Committee/Secretary General of DSK.

If there is no one within DSK you feel able to confide your concerns to, please report them to a trusted external organisation

“Whistle-blowing” Policy

DSK aims to create an organisational culture and working relationships where everyone feels able to report any concerns about malpractice or misconduct.

DSK recognises that in some circumstances, individuals may hold back from reporting concerns through the normal management and communication channels through misplaced loyalty, fear of reprisal or various other reasons.

DSK therefore encourages staff who have genuinely held concerns that they feel unable to report to senior management of the organisation, to report them to President of Executive Committee/ President of Finance Sub Committee.

DSK will explore all reported staff concerns with respect and discretion, and guarantees protection from victimisation. In turn DSK will expect staff to provide as much information or evidence as possible about the reasons for their concerns.

An employee reporting genuinely held concerns, even if they are subsequently not proven, will be guaranteed protected from disadvantage, disciplinary action or dismissal.

An employee making allegations with malicious intent will be subject to disciplinary action.