

ANTI-FRAUD AND CORRUPTION POLICY
Sustainable Rural Growth and Development Initiative (SRGDI)
Approved by SRGDI Board of Trustees on December 14th, 2010



1. INTRODUCTION

The incidence of fraud and corruption has risen in recent years making it essential for companies and organisations to put in place effective deterrence mechanisms. Non-governmental organisations, including SRGDI, have also been affected. The SRGDI Board of Trustees at its June, 2009 meeting, requested the SRGDI Secretariat to develop a policy on Fraud and Corruption stressing that the SRGDI Anti Fraud and Corruption Policy is one of **ZERO-TOLERANCE**. The Board of Trustees further requested that clear definitions of Fraud and Corruption be developed.

2. PURPOSE AND SCOPE

2.1 The purpose of this Anti-Fraud and Corruption policy is to minimise the chances of occurrence of fraud and corruption within the SRGDI Secretariat as well as within the SRGDI partner organisations thereby ensuring that the funds and the assets that have been raised are protected from fraud and corruption-related losses.

The policy aims to:

- Ensure that financial and other resources are used solely for the intended purposes.
- Promote a culture of honesty and openness among the staff and management of SRGDI.
- Ensure that vulnerable populations are not disadvantaged or exploited by staff members or their associates who commit fraudulent and corrupt acts; and
- Assure members of staff and target populations that they can safely and confidently raise and report all serious concerns about unethical conduct, suspected fraud and corruption.

2.2 This Policy applies to all SRGDI employees (full time, part time, temporary and casual), and also to non-SRGDI implementing partners who access funds from SRGDI

2.3 The policy covers all bona fide concerns raised relating to the following:

- Financial misconduct, including criminal acts such as theft of cash and false accounting thereof.
- Abuse of resources which belong to SRGDI and those provided by, or purchased using funds raised by the SRGDI and other non-SRGDI donors in response to an SRGDI appeal. Abuse of resources can include theft and computer crimes where a computer or network is the source, tool, target, or place of a crime (e.g., unauthorised access, suppression of data, electronic fraud, etc).
- Use of improper means, such as bribery, kickbacks or so-called “facilitation” payments, by someone to induce another person to SRGDI or to refrain from acting in the exercise of her/his duties, in order to obtain or retain an undue advantage.
- Any action or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- Threatened or actual illegal actions such as personal injury or damage to property, in order to obtain an undue advantage or to avoid an obligation.

- Collusion in improper procurement or contracting activities.
- Any attempts to suppress or conceal any of the above.

3. DEFINITIONS

For the purpose of this policy statement, the terms „fraud“ and „corruption“ are defined as follows:

- Corruption is the “offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person”
- Fraud is an intentional distortion, deceit, trickery, and perversion of truth or breach of confidence, relating to an organization’s financial, material, or human resources, assets, services and/or transactions, generally for the purpose of personal gain or benefit. **Fraud** is a criminal deception or the use of false representations to gain an unjust advantage.

The definitions above equally apply to all malpractice and unethical behaviour, including (this list is not exhaustive):

- Embezzlement- theft of organisation’s resources for own use. It may involve only one person or more.
- Misuse and misappropriation of funds;
- Collusion and bribery. Bribery means that a person, organisation or institution improperly provides goods or services against some form of improper remuneration. This involves (at least) two parties
- Obstruction of justice;
- Sharing of profits / kick backs, cuts, discounts for personal benefits; and
- Abuse or misuse of power.
- Extortion - the SRGDI of obtaining something by force, threats or undue demands.
- Favouritism is the unfair favouring of one person or a group with something at the expense of others.
- Nepotism is favouritism shown to relatives in conferring offices or privileges.”

4. SRGDI STANCE AGAINST FRAUD AND CORRUPTION

4.1 Mission Statement

To improve the quality of lives and livelihoods of the people in Malawi and Southern Africa and promote sustainable development

4.2 Our commitment

□ SRGDI is committed to creating an environment that is based on the prevention of fraud and corruption. This is achieved by promoting a culture of openness and honesty in all SRGDI activities and initiatives. The SRGDI governance and management are therefore committed to the following principles:

- Creating an anti-fraud and corruption culture and maintaining high ethical standards in its administration;
- Accepting that an anti-fraud and corruption culture is the joint responsibility of all those involved in giving political direction of the organization, determining policy and management;
- Requiring that SRGDI employees will lead by example in ensuring adherence to legal requirements, standing orders, financial regulations, and codes of conduct, procedures and practices;
- Providing clear mechanisms by which concerns can be raised by both SRGDI employees, and external individuals or organisations who are providing, using or paying for the services; and
- Ensuring and maintaining a culture of openness and transparency.

As we address the issue of fraud and corruption, SRGDI commits to uphold:

- **Honesty** - We accept that to misuse or abuse resources not only deceives the giver of such resources, but even more importantly, it deprives those we seek to assist from the support that has been promised.
- **Stewardship**- At the core of our work, we recognize that our resources are not our own. This includes resources of all kinds, whether it is funds from a donor, the skills of a staff person or the capacities of local communities we aim to serve. When we start acting as if the resources we have are entirely owned by us, we can abuse the trust by which they have been given for our use. Ultimately, our resources are gifts entrusted to us by God to support those affected by emergencies through the most effective, appropriate and responsible means possible.
- **Transparency**- While the aims of good stewardship and honesty are strong enough reasons in their own right to avoid fraud and corrupt actions, there is also the added long-term value of increasing our trust with stakeholders through transparent activities. This transparency, both actual and perceived, directly relates to our reputation and future ability to raise additional resources and build acceptance in communities.

4.3 Values

SRGDI sees these values as critical and integral to the work we are doing;

Transformational – We believe that for positive sustainable transformation to occur it must be addressed at three levels: personal empowerment and responsibility, community revitalization, and societal transformation. Holistic transformation occurs within all aspects of personal and community life, including the psychological, physical, spiritual, economic, political, and socio-cultural dimensions of life.

Honesty and transparency- Being accountable at all levels for the effectiveness of our actions and open in our judgments and communications with others.

Equity and justice- Requiring us to work to ensure equal opportunity to everyone, irrespective of race, age, gender, sexual orientation, HIV status, colour, class, ethnicity, disability, location and religion.

Excellence– We believe that those we serve deserve the best. We shall be an organization that is continually learning and sharing; creating models of good practice that can be replicated worldwide.

Empowering – We seek to strengthen the capacities and address the vulnerabilities of those we serve. This also includes encouraging, development of skills and access to resources for self-sufficiency.

Passionate – We are passionate about those we work for and passionate in all that we do. We seek to be creative and imaginative in finding sustainable solutions to addressing issues of poverty and injustice.

Mutual respect- Requiring us to recognize the innate worth of all people and the value of diversity.

Solidarity with the poor- Powerless and excluded will be the only bias in our commitment to the fight against poverty

5. POLICY PRINCIPLES

5.1 The SRGDI Anti-Fraud and Corruption Policy is one of **zero tolerance**. The SRGDI governing body shall not tolerate the fraudulent and corrupt use of funds and resources by SRGDI staff or by the external implementing partners of SRGDI. SRGDI is equally committed to maintaining its reputation as an organisation that will not tolerate abuse of position for personal or organisational gain.

5.2 The management and governance of SRGDI are determined to uphold their duty and obligation to ensure proper management of funds and resources entrusted to it by the organisation for the purpose of assisting vulnerable communities and natural resources.

5.3 SRGDI is therefore committed to the prevention, detection and investigation of all forms of fraud and corruption, whether these are attempted from within or outside the organisation.

5.4 SRGDI is committed to ensuring that concerns raised by SRGDI staff at all levels of the organization, as well as complaints registered by the target population, are considered and investigated fairly, equally and in a responsible manner.

5.5 SRGDI will ensure that systems limiting the possibilities of misuse and mismanagement of funds and resources are in place..

5.6 Contracts and agreements with employees, partners and consultants shall be consistent with this policy”.

5.8 SRGDI will publish the SRGDI Anti-Fraud and Corruption Policy to all SRGDI staff and other interested parties.

5.9 Guidelines for procedures designed to deter any fraudulent or corrupt action will be an integral part of the SRGDI Manual