

**Counter-Fraud & Anti-Corruption Policy
Of
Trinamul Unnayan Sangstha**



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Table of Contents

- 1. Introduction:..... 1
- 2. Relevant Definitions 1
 - 2.1 Fraud 1
 - 2.2 Corruption 1
- 3. Scope:..... 2
- 4. Culture against Fraud and Corruption:..... 2
 - 4.1 Involvement of All 3
 - 4.2 Employee Screening: 3
 - 4.3 Expectation from Employees: 3
 - 4.4 Internal Audit 4
 - 4.5 External Audit 4
- 5. TUS programmatic approach against fraud and corruption:..... 4
 - 5.1 Partner NGO’s Periodical Risk Assessment..... 4
 - 5.2 Financial Monitoring to Partner NGOs 5
 - 5.3 Partnership Management..... 5
 - 5.4 Application of Best Practices 5
- 6. Raising Concerns 5
- 7. The Responsible Officer 6
 - 7.1 Role of Senior Management Team (SMT) 6



1. Introduction:

Trinamul Unnayan Sangstha (TUS) is a non-governmental organisation, working for community development with a vision '*to establish a society based on the values of social justice, equity and freedom, in which all people have full and effective participation in the development process*' and mission '*to toward achieving the mission 'To build up the capacity of grassroots communities, especially the disadvantaged and marginalized communities of the Chittagong Hill Tracts, towards improving their livelihoods and addressing other socio-economic issues in a participatory approach*'.

To carry out development activities in transparent way and to ensure maximum utilization of donor's funds for community development and wellbeing purposes TUS management feels necessity to develop a Counter-Fraud and Anti-Corruption Policy to avoid any types of fraud, manipulation and corruption in implementation of project activities and abuse of position for personal gain.

This policy will guide the employees for creating an anti-fraud and anti-corruption culture and maintaining high ethical standards in implementation of project activities and administration of organization resources. This policy shall be called as the 'Counter-Fraud and Anti-Corruption Policy'.

2. Relevant Definitions

2.1 Fraud

Fraud is the intentional alteration of financial information or other records by persons internal or external to the organization, which is carried out to conceal the misappropriation of assets or otherwise to gain illicit advantage. Fraud covers a range of practices including:

- False representation
- Hiding information

2.2 Corruption

Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person. Corruption, associated with other unethical behaviors, covers a range of practices including:

- Conflict of Interest
- Fraudulent Commission
- Undeclared Gift
- Bribery
- Misappropriation of Fund



- Abuse of Authority
- Undeclared Nepotism and favoritism.

3. **Scope:**

This policy outlines the approach of TUS for dealing with the threat of fraud and corruption, both internally and externally. It applies to all parties work for TUS which includes:

- Procurement Providers
- Contractor
- Consultants
- Suppliers or vendors
- Partner NGOs
- TUS Employees
- All other relevant parties.

- 3.1 Where relevant, TUS will include appropriate clauses in its contracts with partner NGOs, vendors, suppliers and all other third parties about the consequences of fraud and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and may lead to disciplinary measures.
- 3.2 In respect of employees, TUS disciplinary rules are such that fraud and corruption are considered to be gross misconduct and if proven, would normally result in dismissal.
- 3.3 Nevertheless, TUS cannot be solely responsible for preventing and fighting against fraud and corruption within its operational ambit. With regard to its activities, TUS takes adapted measures in keeping with its due importance and means, giving priority to the personal safety and security of its employees.
- 3.4 Furthermore, in its effort to fight against fraud and corruption, TUS is careful not to encourage a general environment of suspicion and mistrust amongst persons work with TUS.

4. **Culture against Fraud and Corruption:**

TUS constitution, mission and strategy, as well as its operating rules and internal control procedures, reinforced by this anti-fraud and anti-corruption policy are the main interference documents for TUS.

Responsibility for an anti-fraud culture is a joint duty of all those involve in giving direction, determining policy, management and employees. TUS strategy is directed against fraud and corruption whether it is attempted against TUS from outside or from within own workforce of TUS.



TUS expects that employees and management at all level will lead by example in ensuring adherence to legal requirements, standing orders, and financial regulations, codes of conducts, procedures and practices.

4.1 Involvement of All

TUS management at all levels, upholds management practices which reduce to the greatest possible extent the opportunities to commit acts of fraud and corruption. They are specifically responsible for identifying the type and level of risk to which our activities and resources are exposed. They also have managerial responsibilities for internal control.

They are advised on this matter by the different support services specialized in this area. Policy cooperation recognizes the involvement of all the sections and team within the organization who are notably responsible for:

- Carrying out risk evaluation and internal control
- Implementation and management of programs and support services.
- Coordination and enforcement of different fraud and corruption prevention measures.
- Management of risk monitoring tools and of incidents relating to cases of fraud and corruption.
- Measures to support, guide and ensure personnel take on board the issues relating to fraud and corruption control within the framework set out by TUS.

4.2 Employee Screening:

- 4.2.1 TUS recognizes that a key preventive measure is to take effective steps at the recruitment stage to establish staff level honesty and integrity as far as possible.
- 4.2.2 Recruitment and selection policy of TUS contains appropriate safeguards such as taking up written references and verifying qualifications held.
- 4.2.3 Criminal records will be taken into account where the conviction is relevant.
- 4.2.4 After starting at TUS, employees are brought to their manager's attention any new criminal convictions.

4.3 Expectation from Employees:

- 4.3.1 Employees will act with integrity, honesty and propriety in all their dealings as an TUS representative and lead by example.
- 4.3.2 Carry out their duties to the best of their ability for the interest of TUS and not to take advantage of any situation for personal gain, for themselves, members of their family or friends.
- 4.3.3 Take the risk of both internal and external fraud seriously and to follow systems and procedures designed to prevent or detect fraudulent activity.



4.3.4 Secure all passwords, information, documents, money, equipment etc. in employees' control which can be stolen or used to perform fraud.

As part of this culture, TUS will provide clear routes by which concerns can be raised by both employees and management.

4.3.5 Senior management is expected to deal swiftly and firmly with those who defraud TUS and who are corrupt.

4.3.6 TUS, including members and senior management should be robust in dealing with financial malpractice.

4.3.7 TUS has in place both the internal and external audit which reviews the activities including reports of any significant investigations and the management response to those recommendations.

4.4 Internal Audit

TUS hires an internal audit team who carry out reviews of the adequacy of controls in systems to prevent fraud, amongst other risk, and report on control weakness found. They also test aspects of governance culture that are being relied on to prevent and detect fraud.

4.5 External Audit

Part of external auditor's statutory duties is to ensure that TUS has adequate arrangements in place for the prevention and detection of fraud and corruption. Complaints of fraud and corruption can be taken directly to external auditor.

5. TUS programmatic approach against fraud and corruption:

TUS adopts a programmatic approach for preventing and fighting fraud and corruption, based on an analysis which considers:

- The risk specifics to each of its partner NGOs.
- The risks inherent in each function exercised by its employees.
- The risk related to each sector of activity in its intervention settings.

To monitor the risk of fraud and corruption, TUS uses internal tools and mechanisms.

5.1 Partner NGO's Periodical Risk Assessment

At partner NGO level, periodical risk assessment following a prescribed checklist enables TUS to place the main focus of its anti- fraud action on partner NGOs exposed to ascertain level of risks. Priorities are then determined according to level of risk, size of budget and value of resources invested per NGO, program and activity.



5.2 Financial Monitoring to Partner NGOs

TUS conducts regular intensive financial monitoring visit to partner NGOs and formally report to management. If any misappropriation is observed, disciplinary action is taken by TUS management considering the gravity of observation.

5.3 Partnership Management

TUS takes all the necessary information, risk management, support and monitoring measures called for by this policy in its relation with its operational partners within the framework of partnership agreement and partnership management policy.

5.4 Application of Best Practices

TUS assumes its responsibility as a non-governmental organization engaged in development activities and applies best practices to control fraud and corruption considering its changing modes and techniques. TUS is-

- Concerned by the professional ethics in NGO sector.
- Working continuously to ensure that best practices are applied to its operation and activities.

6. Raising Concerns

Although this document specifically refers to fraud and corruption, it equally apply to all financial malpractices. This includes a wide range of irregularities that are financial. It includes, for example, the criminal acts of theft of property which include all assets and cash; false accounting; obtaining by deception; pecuniary advantage by deception; computer abuse and computer crime. It also includes bribery.

- 6.1 Employees of TUS are an important element in TUS's stance on fraud and corruption, and they are positively encouraged and expected to raise any concerns that they may have on these issues where they are associated with activities of TUS.
- 6.2 Employees should normally raise concerns through their immediate manager, however it is recognized that they may feel inhibited in certain circumstances. In this case, employees should contact with higher management, director- Finance & Administration and Executive Director.
- 6.3 TUS gives guidance on how to raise concerns and give supports and safeguards to those who raise concerns.
- 6.4 Concerns will be treated in confidence, properly investigated and dealt with fairly. All concerns of fraud and corruption will be investigated.
- 6.5 This is, of course, a need to ensure that any investigation process is not misused, therefore, any internal abuse, such as raising malicious or vexatious allegations, may be dealt with as a disciplinary matter.



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6.6 Disciplinary action against fraud and corruption will be taken as per TUS **Steps towards Irregularities** policy.

7. **The Responsible Officer**

Coordinator, Finance and Admin is nominated as Responsible Officer. S/he has responsibility for anti-corruption policy and strategy. S/he is responsible to ensure that TUS has adequate control system and measures in place to enable the prevention and detection of incurrence and fraud. This counter-fraud and anti-corruption policy statement and strategy helps towards discharging part of this responsibility. S/he is responsible to maintain an adequate and effective system of internal audit of TUS's accounting records and control system. S/he has the statutory rights of access to documents, records, information and explanations if s/he considers necessary for that purpose.

7.1 **Role of Senior Management Team (SMT)**

This policy will be coordinated, monitored, assessed and updated at SMT as delegated by Executive Committee.

SMT holds responsibility:

- To take over responsibility for the maintenance and operation of this policy.
- To maintain records of financial malpractice, including concerns and allegations received; matters raising from audits; investigations and evidence; and the investigation results.
- To report as necessary to TUS Executive Committee.

