

# Anti-Fraud Policy

## January 2024

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<b>Purpose</b>	This policy defines fraud for Concern Worldwide and outlines the responsibilities of all staff for fraud prevention, detection and reporting.		
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<b>Cross Reference to other Controlled Documents</b>	Code of Conduct and Associated Policies [Programme Participant Protection Policy, Child Safeguarding Policy, Anti Trafficking in Person's Policy], Whistleblowing Policy, Conflict of Interest Policy, Disciplinary Procedures, Risk Management Policy, Anti-Terrorism and Anti Money Laundering Policy, and Approach to Reporting Serious Incidents.		
<b>Relevant Laws and Regulations</b>	<p>This policy is intended to broadly support compliance with the relevant anti-fraud and corruption laws and regulations in operation in each Concern office location. For example, the Criminal Justice (Theft and Fraud) Offences Act 2001 in Ireland.</p> <p>It is the responsibility of each Concern office to review relevant local legislation and regulations to ensure any specific additional compliance requirements are met.</p>		

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# ANTI- FRAUD POLICY

## January 2024

### 1. PURPOSE

Concern is committed to the highest possible standards of openness, transparency and accountability in all its affairs. We wish to promote a culture of honesty and opposition to fraud in all its forms. The organisation operates in many countries, and in common with many large organisations, the size and nature of our operations puts us at risk of loss due to fraud.

The purpose of this policy is to provide:

- A clear definition of what we mean by “fraud”.
- A definitive statement to staff forbidding fraudulent activity in all its forms.
- A clear statement that all employees are responsible for carrying out their work in such a way as to prevent fraud occurring in the workplace.
- Guidance to employees as to the action needed when they suspect any fraudulent activity.
- Clear guidance as to responsibilities for conducting investigations into fraud related activities.
- Assurance of protection to employees in circumstances where they may be at risk of victimisation as a consequence of reporting, or being a witness to, fraudulent activities. This also includes any ‘whistle-blowers’.

### 2. DEFINITIONS

**Fraud** encompasses acts of fraud, theft, falsification of expenses, and inappropriate use of Concern’s assets, among others. **Corruption** takes many forms, including financial and non-financial crimes such as procurement fraud, bribery, nepotism and any other form of abuse of power.

For example, fraud includes but is not limited to the following:

- Theft of funds or any other Concern / Donor property
- Falsification of costs or expenses
- Forgery or alteration of documents
- Destruction or removal of records
- Inappropriate personal use of Concern’s assets

Examples of corruption include:

- Employees seeking or accepting cash, gifts or other benefits from third parties in exchange for preferment of the third parties in their dealings with Concern
- Blackmail or extortion
- Offering, promising or giving of a bribe and requesting, agreeing to receive or accepting a bribe for any reason

- Making facilitation payments i.e. making payments to public or government officials with the intention to persuade them to expedite a process or to reach a particular decision.
- Paying of excessive prices or fees to third parties with the aim of personal gain.

Other examples of related misconduct include:

- Abuse of a conflict of interest (see the Conflict of Interest Policy)
- Financing criminality or terrorist acts/organisations (see the Anti-Terrorism and Anti Money Laundering Policy).

Throughout this policy, the term 'fraud' will be used to describe all of the above.

### 3. SCOPE

This policy applies to all employees, contractors, partner organisations, consultants and volunteers, wherever located, unless otherwise stated. For the purposes of this policy 'Concern' shall be taken to mean Concern Worldwide, Concern Worldwide UK and its subsidiaries, Concern Charity Trading, Concern Worldwide Korea Foundation and all Concern Worldwide international branch offices unless otherwise stated (collectively the "group"). Concern Worldwide US has its own separate and distinct policy which aligns with this Policy.

### 4. CONCERN POLICY

Fraud in all its forms is wrong and is unacceptable to Concern. This is because where fraud occurs:

- It is not just a loss to Concern, but ultimately to our programme participants.
- It may have a major impact on our reputation, our ability to access funding and therefore again on our programme participants.

Concern has a zero tolerance approach to fraud. In support of this approach we:

- Design our systems so that they minimise loss and fraud.
- Ensure that any indications of fraud are thoroughly investigated and dealt with in a firm and controlled way.
- Ensure where evidence is found, that we aim take commensurate corrective actions, up to and including dismissal and - where practical – prosecution of the perpetrators.

### 5. RESPONSIBILITIES UNDER THIS POLICY

#### a. General responsibilities

It is the responsibility of all employees, contractors, partner organisations, consultants and volunteers to carry out their work in such a way as to prevent fraud occurring in the workplace. Employees must also be alert for occurrences of fraud, be aware that unusual transactions or behaviours could be indications of fraud and report potential cases of fraud as outlined in Section 6 below.

## **b. Managers**

It is the responsibility of managers to be familiar with the types of fraud that might occur in their area, to be alert for any indication of fraud or improper activity and to maintain controls to avoid such occurrences.

It is the responsibility of managers to ensure staff are aware of and support this policy and that all incidents of fraud are reported.

Further to this, it is the responsibility of senior managers, i.e. **Country Directors and Directors of Departments (in all support offices)**, to ensure that all incidents of fraud in their programme country office/department are reported, managed and investigated in line with this policy. They should consult with the Internal Audit and Investigations Team in doing this.

## **c. Internal Audit and Investigations Team**

The Internal Audit and Investigations Team is responsible for recording all instances of actual or suspected fraud, ensuring that they are investigated proportionately and appropriately, and for fulfilling reporting obligations to internal parties (e.g. the Audit and Risk Committee, ) and external parties (e.g. donors and regulatory bodies). They are also responsible for providing advice and training to staff on preventing, detecting and investigating fraud. This includes investigating cases directly where specialist input is required due to the complex nature of the case.

## **d. Senior Management Team (SMT) and Board of Directors (Board)**

SMT and the Board are responsible for protecting Concern and the communities we work with from the impact of fraud by supporting and monitoring the implementation of this policy. Regular reports on fraud are presented to the Serious Incident Monitoring Group<sup>1</sup>, and the Audit and Risk Committee<sup>2</sup>.

# **6. REPORTING SUSPECTED FRAUD**

Employees, contractors, partner organisations, consultants and volunteers are required to immediately report issues of suspected fraud. There is no monetary limit associated with this requirement. Any suspected fraud, regardless of the amount involved should be reported. Failure to report could result in disciplinary action or contract termination as applicable.

Suspicious should be reported to any of the following:

- To an appropriate line manager (e.g. direct line manager, Country Director, Regional Director, department head, or responsible SMT member)
- To the fraud mailbox ([fraudmailbox@concern.net](mailto:fraudmailbox@concern.net)) which is monitored by the Internal Audit and Investigations Team
- To the Head of Internal Audit & Investigations

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<sup>1</sup> The Serious Incident Monitoring Group (SIMG) is a group of senior managers within Concern who review and monitor serious incidents.

<sup>2</sup> The Boards designated sub-committee.

Suspicions of fraud relating to an SMT member or the Head of Internal Audit & Investigations should be reported to the CEO and / or the Chair of the Audit & Risk Committee and / or the Chair of the Board<sup>3</sup>.

Employees who suspect fraud should not do any of the following:

- Contact the suspected individual(s) directly in an effort to determine facts, demand explanations or restitution.
- Discuss the issue with anyone within Concern other than the people listed above.
- Discuss the issue with anyone outside of Concern, except as required by law.

Other mechanisms for reporting fraud include:

- By telephone hotline to 00-353-1-479-1326 (monitored by the Internal Audit and Investigations team).
- By post marked “Private & Confidential” to the Head of Internal Audit and Investigations, Corporate Services, Concern Worldwide, 52-55 Lower Camden Street, Dublin 2, Ireland.

## 7. DEALING WITH REPORTS OF SUSPECTED FRAUD

Any suspicions of fraud will be taken seriously by Concern. Concern expects its managers to deal firmly and quickly with any reports of suspected fraud. This is regardless of any person’s relationship with Concern, their position or length of service.

Managers receiving reports of suspected fraud must **immediately** notify their Country Director / Director of Department (in all support offices). The Country Director / Director of Department (in all support offices) must immediately notify the issue and proposed actions to their Regional Director / responsible SMT member, and the Internal Audit & Investigations Team via the Fraud Mailbox ([fraudmailbox@concern.net](mailto:fraudmailbox@concern.net)).

Depending on the seriousness of the allegation, additional personnel may be informed (e.g. the International Programmes Director, COO, the Serious Incident Monitoring Group, CEO, and Chair of the Board).

Where the suspected fraud directly impacts a subsidiary or affiliate, the Head of Internal Audit and Investigations will inform the designated senior executive in that subsidiary or affiliate (i.e. the UK Executive Director for Concern Worldwide UK, the Korea Executive Director for Concern Worldwide Korea Foundation, and the US CFO for Concern Worldwide US). Depending on the seriousness of the allegation, that senior executive may inform the Chair of the Board of the subsidiary or affiliate (i.e. the Chair of the UK Board, the Chair of the Korean Board, and the Chair of the US Board) and relevant regulatory bodies (i.e. the UK Charity Commission).

In consultation with the persons notified, arrangements must be made for a comprehensive investigation of the allegations reported. See Appendix A for guidance on fraud investigations.

As a general principle, any person suspected of being involved in the reported fraud will not be consulted, irrespective of the procedure that has been outlined above.

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<sup>3</sup> Confidential reports can be submitted by post, marked “Private & Confidential” and for the attention of the relevant Chair, to the Concern Worldwide Ireland office address provided above.

Suspicions of fraud relating to an SMT member or the Head of Internal Audit & Investigations should be reported to the CEO and / or the Chair of the Audit & Risk Committee and/ or the Chair of the Board<sup>3</sup>.

## 8. SAFEGUARDS FOR EMPLOYEES

The safety of employees and other reporters of fraud is a very important consideration for investigators and one that must not be taken lightly. The organisation has an obligation to protect all persons who have come forward to report wrongdoing.

Issues reported in line with this policy will be investigated with the following safeguards:

- **Harassment or Victimisation:** Concern recognises that the decision to report a suspicion can be a difficult one to make, not least because of the fear of reprisal from those responsible for the wrongdoing. Concern will not tolerate harassment or victimisation and will take all practical steps to protect those who raise an issue.
- **Confidentiality:** Concern will endeavour to take all reasonable steps to protect an individual's identity when he or she raises an issue but wants their identity kept confidential from those accused of wrongdoing and other colleagues. It should be understood, however, that an investigation of any wrongdoing may need to identify the source of the information and a statement by the individual may be required as part of the evidence.
- **Anonymous Reporting:** Concern understands that you may wish to report your concerns anonymously and accepts that this may occur from time to time. However, Concern encourages people to put their name to disclosures where possible as anonymous reporting can make it difficult to clarify the issues, substantiate claims, investigate concerns properly and provide feedback. Issues expressed anonymously will be considered at the discretion of Concern. In exercising this discretion, the factors to be taken into account will include:
  - The seriousness of the issues raised
  - The credibility of the allegations and the supporting facts
  - The likelihood of confirming the allegation from attributable sources
- **Unfounded or Unsubstantiated Allegations:** Employees should be aware that if an allegation is not confirmed by an investigation, as long as the complainant had reasonable belief of the wrongdoing, Concern guarantees that no action will be taken against the complainant. If, however, individuals make malicious or vexatious allegations, disciplinary action will be considered against an individual making the allegation.

Please see the Whistleblowing Policy for more information.



## 9. ACTIONS ARISING FROM FRAUD INVESTIGATIONS

### 9.1 Disciplinary procedures

Persons who have had allegations of fraud against them substantiated are considered to have committed gross misconduct and will be dealt with in accordance with Concern's Disciplinary Procedures. Where allegations of fraud are upheld they may result in a disciplinary sanction up to and including dismissal.

We are required to share details of fraud, potentially including personal details (e.g. name, date of birth, address and nationality), with external organisations such as institutional donors, regulatory bodies and future employers.

In addition, where appropriate, Concern will refer significant fraud to the local law enforcement agencies with a view to initiating criminal prosecution. What is considered a 'significant fraud' will be determined on a case by case basis. Consideration should be given to the local context and the consequences in terms of human rights of initiating criminal prosecution against the individuals involved. In every case, the final decision whether or not to prosecute should be taken by:

- Programme country offices: Regional Director in consultation with the International Programmes Director
- Concern Worldwide Ireland Central functions: Chief Executive or Chair of the Board
- Concern Worldwide UK / Korea / Other subsidiaries: The Executive Director in consultation with the Chair of the Board.

### 9.2 Changes to systems of controls

The fraud investigation is likely to highlight where there has been a failure of supervision and / or a breakdown or absence of control; the course of action required to improve systems should be documented in the investigation report / corrective action report and implemented when this report is finalised.

### 9.3 Recovery of losses

Where Concern has suffered loss, full restitution will be sought of any benefit or advantage obtained and the recovery of costs will be sought from individual(s) or organisations responsible for the loss.

If the individual or organisation cannot or will not make good the loss, consideration will be given to taking civil legal action to recover losses. This is in addition to any criminal proceedings which may result.

## 10. DONOR AND REGULATORY REPORTING

The Concern Worldwide Head of Internal Audit and Investigations will prepare the required reporting for the relevant donor(s) and regulatory body. This may include a suspected fraud notification report prior to the investigation commencing and / or a fraud investigation conclusions report. These reports will be submitted to the relevant donor(s) and regulatory body by the relevant point of contact.

The relevant point of contact will depend on whether the contract is managed from a country programme office, in which case the report may be submitted by the Country Director, or if it is managed from head office, in which case the report may come from the senior member of the relevant programmes support team. The final decision on external reporting will be made by the Head of Internal Audit and Investigations, the Regional Director and other relevant staff e.g. UK / US / Korea staff if the related funding has been sourced from these regions. For decisions on reporting to the UK Charity Commission, Concern's Serious Incident Monitoring Group must also be involved.

For more details on the main donor requirements in relation to fraud reporting, please see the Grant Compliance Unit's donor rules portal.

## 11. REVIEW OF THIS POLICY

In the interests of maintaining best practice, the contents of this Anti-Fraud Policy will be reviewed by the Audit and Risk Committee every three years. In the interim, management is authorised to make adjustments as may be required by changes to statutory obligations and/or donor requirements. Any other significant revision will need approval by the Audit and Risk Committee.

- We are **all** responsible for fraud prevention and detection.
- There is **no threshold** for reporting Fraud - report **anything** suspicious!
- Report to **any** of the following:
  - Talk to your Line Manager
  - Talk to the Country Director
  - Email **fraudmailbox@concern.net**

## **APPENDIX A: GUIDANCE ON FRAUD INVESTIGATIONS**

This appendix is intended to provide summary guidance on fraud investigations and should be read in conjunction with Concern's Investigation Guidelines.

It is the responsibility of the Country Director / responsible SMT member to ensure that all incidents of fraud in their programme country office / department are managed and investigated in line with this policy. In all circumstances those responsible must consult with the Internal Audit and Investigations team regarding the investigation process, approval of investigation, terms of reference (TOR), etc.

### **A.1 Investigation Team**

Investigations should be completed either by appropriately experienced independent Concern staff, or by independent third parties. Where the fraud has financial implications it is recommended that a person with suitable financial skills and experience such as a member of the Finance team, the Country Financial Controller, Regional Accountant or Regional Internal Auditor, as appropriate, is a part of the investigation team. The investigation team should comprise at least two members. For more complicated cases, it may be beneficial to appoint an additional person as an Investigation Manager. If a translator is required, this should be an independent translator.

When conducting their investigation, investigators must be very alert not to act in a way or reveal documents or other information that will allow others to guess that there is a whistle blower involved or to work out who they might be. The safeguards for reporting employees must be applied in all cases – see Section 8 of this policy.

The Country Director / responsible SMT member will not be involved in the investigation directly as they will likely be the one to review the investigation report and be involved in the decision on any disciplinary action to be taken.

### **A.2 Investigation**

The purpose of the investigation is to establish the facts. All work of the investigation team should be documented, including transcripts of interviews conducted. The investigation should be held in a timely manner and the Regional Director and the Head of Internal Audit and Investigations should be kept informed of any major developments.

In order to maintain the confidentiality of the investigation, a confidentiality clause is included as part of the interview notes sign-off statement, and breaches of confidentiality may result in disciplinary action for employees of Concern. To maintain confidentiality, disclosure of details of the allegation being investigated should be appropriate to the situation and to the person being interviewed, whilst not misleading the witness in anyway.

Where external expert advice is required, e.g. the opinion of a lawyer, the services of a forensic IT specialist, this advice should be summarised in an appendix to the investigation report.

### A.3 Investigation Report

The conclusion of all fraud investigations must be documented. The Investigation Report will contain all details relating to the investigation and a timeline of all the events which took place. The Report will also include the transcripts of any interviews undertaken and any legal advice received as an appendix.

The Country Director / responsible SMT member should forward the written report / conclusions to the persons requiring notification, e.g. the Internal Audit and Investigations Team for external donor reporting purposes, and agree the appropriate action to be taken.

The person(s) that initially reported the suspicions should be informed of the outcome of the investigation, i.e. whether allegations were concluded to be Substantiated / Unsubstantiated / Unfounded, but this should be done only once the report and proposed course of action has been finalised and shared with the subject(s) of complaint.