



## **DIVERSITY ACTION NETWORK (DAN)**

### **Anti-Corruption, Fraud and Bribery Policy**

# 1. INTRODUCTION

DAN has a 'zero tolerance' policy towards fraud, bribery and corruption. It will always seek to take disciplinary and /or legal action against those found to have perpetrated fraud.

DAN is committed to conducting its work fairly, openly and honestly and in accordance with the highest ethical and legal standards.

DAN should have strict internal control systems to minimise the occurrence of fraud and irregularities. Fraud is defined as: a deliberate, improper action which leads to financial loss to DAN. This includes theft of goods or property; falsifying expense claims; and falsification of records to hide an improper action.

Fraud does not include: accounting errors; actions condoned by established practice; and cases where no loss is incurred. Other irregularities include unauthorised activities for private gain: e.g. 'borrowing' from cash box; private use of vehicles; or abuse of telephones and other equipment.

Fraud inevitably has a damaging effect on the organisation. DAN will handle sensitively any incidents of fraud and irregularities to minimise their long-term impact. DAN will deal with any occurrences of fraud or financial irregularity by having and applying a written procedure which covers steps that need to be taken.

DAN's procedure state clearly that routine controls, checks and balances are in place to safeguard the assets of the organisation and to protect staff from any suspicion of, or temptation to, fraud or other impropriety. Paid staff is therefore obliged to co-operate fully with internal control procedures and failure to do so will be dealt with as appropriate within the organisation's disciplinary code.

DAN will take all reports of fraud, bribery and corruption seriously, and investigate proportionately and appropriately.

## 1.1. Purpose

The purpose of this policy is to set out DAN's stance on fraud, bribery and corruption and its approach to preventing, detecting, reporting and investigating fraud, bribery and corruption.

## 1.2. Scope

This policy is applicable to, and must be followed by, all staff, volunteers, consultants, contractors, and suppliers. Failure to comply could result in disciplinary action, including dismissal or contract termination.

### Policy Statement

1. DAN has a 'zero tolerance' policy towards fraud, bribery and corruption. This means that DAN:
  - a) does not accept any level of fraud, bribery or corruption within the organization or by any individual representing DAN; and

- b) Will always seek to take disciplinary and/or legal action against those found to have perpetrated, be involved in, or assisted with fraudulent or other improper activities in any of its operations.
2. DAN is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum.
  3. DAN requires all staff to act honestly and with integrity at all times and to safeguard the resources for which they are responsible.
  4. DAN will assess its exposure to the risks of internal and external fraud, bribery and corruption and will regularly review these risks;
  5. DAN will seek to put in place efficient and effective systems, procedures and internal controls to: encourage an anti-fraud culture; prevent and detect fraud, bribery and corruption; and reduce the risks to an acceptable level.
  6. DAN will provide adequate training to make staff aware of the risks of fraud, bribery and corruption, and of their responsibilities in preventing, detecting, and reporting it.
  7. DAN will make all its suppliers, partners, contractors and agents aware of this policy.
  8. DAN will work with relevant stakeholders, including comparable organizations, relevant regulators and government organizations to tackle fraud.
  9. DAN will regularly review and evaluate the effectiveness of its systems, procedures and internal controls for managing the risk of fraud. It will do this through risk management and assurance processes and audit arrangements.
  10. All staff must immediately report any suspected or actual instances of fraud, bribery or corruption. This includes offers to pay bribes, solicitation of bribes and demands to make facilitation payments. Failure to report could result in disciplinary action.
  11. Reports should be made to an appropriate manager
  12. DAN also requires all those doing business with DAN, including its suppliers, partners, contractors and agents, to report to any suspected or actual instances of fraud, bribery or corruption involving DAN assets or staff. Reports should be made via [email: [info@dansomaliland.org](mailto:info@dansomaliland.org)].
  13. DAN will not penalize anyone for raising a concern in good faith, even if it turns out to be unfounded. Any member of staff who harasses or victimizes someone for raising a concern in good faith will themselves be subject to disciplinary action.

14. DAN will maintain a system for recording: all reports of actual or suspected fraud, bribery and corruption; the action taken; and the outcome of any investigation. It will use this information to inform its review of the risks and the effectiveness of its controls.
15. DAN will take all reports of actual or suspected fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in this policy
16. DAN will always seek to take disciplinary and/or legal action against those found to have perpetrated or assisted with fraudulent or other improper activities in any of its operations. For staff, this may include dismissal. It will also seek to recover any assets lost through fraud.
17. **The Managing Director** is responsible for ensuring that DAN staff are aware of and support this policy and that all incidents of fraud, bribery or corruption are reported. He/She is also responsible for ensuring that all incidents of fraud, bribery or corruption are managed and investigated in line with this policy.
18. **Managers receiving reports** of fraud, bribery and corruption are responsible for reporting them to the Managing Director, and agreeing with him/her how the case will be managed and who will be responsible for investigation.
19. **All staff** are responsible for complying with this policy.

### **Reporting procedures:**

DAN will view all instances of theft and fraud as Gross Misconduct and will result in immediate dismissal and loss of terminal benefits. In some circumstances, the Police may be informed.

Staff are encouraged to report to their immediate manager (line-manager) for any suspicion of fraud and/or irregularity. This should make it easy for people to report concerns in confidence and without fear of retribution. In case the immediate manager is part of their allegations, then staff will be able to report directly to the superior line-manager. If the Managing Director is part of the allegations, the chair persons of the Advisory Committee will be reported to.



## **ANNEX1: Definitions**

1. **Fraud** is knowingly making an untrue or misleading representation with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another.
2. **Bribery** is giving or offering someone a financial or other advantage to encourage that person to perform their functions or activities improperly, or to reward someone for having already done so.
3. A **facilitation payment** is a type of bribe. An example is an unofficial payment or other advantage given to a public official to undertake or speed up the performance of their normal duties.
4. **Corruption** is the misuse of entrusted power for personal gain. This would include dishonest or fraudulent behavior by those in positions of power, such as managers or government officials. It would include offering, giving and receiving bribes to influence the actions of someone in a position of power or influence, and the diversion of funds for private gain.
5. A **conflict of interest** is where an individual has private interests that may or actually do influence the decisions that they make as an employee or representative of an organisation.

