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Small Scale Livestock and Livelihoods Program (SSLPP) Anti-Fraud and Anti- Corruption Policy – Awareness, Prevention, Reporting and Response



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1. Policy Statement:

This policy reflects the fundamentals and core concept that all SSLLP Members (Trustees, Directors, Employees, Partners, Vendors, Volunteers) agree to abide by regarding prevention and response to fraud and corruption.

SSLLP recognizes that fraud and corruption is a prevalent issue, and has harmful effects on employees, the organization and society, and is a threat to our vision.

Fraud and corruption awareness, prevention, reporting and response are critical parts of the accountability and compliance culture at SSLLP and are of great importance to our impact groups, employees, partners, donors, counterparts and other SSLLP stakeholders. Our internal and external stakeholders have a right to expect that we conduct all our activities to the highest ethical standards.

This policy sets out the minimum standards and procedures that all SSLLP Members (Trustees, Directors, Employees, Partners, Vendors, Volunteers) are obliged to follow.

This policy addresses the awareness, prevention, identification, reporting, investigation and close- out of fraud and corruption at SSLLP.

Where the donor regulations are more restrictive, those regulations must be complied with and incorporated in our work.

2. Policy Scope:

This policy and related procedures apply to all SSLLP entities and personnel including but not limited to those located at Head office, sub-offices, project offices, and regional offices.

This policy places the ultimate responsibility for managing fraud and corruption at the Head Office level, and is not intended to replace existing fraud and corruption reporting or management processes as long as they are consistent with this policy. Any conflict shall be superseded by this policy.

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3. Policy Definitions and Examples:

Fraud and corruption are the act of intentionally deceiving someone in order to gain an unfair or illegal advantage of any value, or the abuse of entrusted power for private gain (financial, political or otherwise). The table below provides key definitions related to fraud and corruption;

Responsible	The role or person or entity that is 'Responsible' to perform the work. In other words, the 'doer' of the task or activity. The 'Responsible' need not be accountable for that task, even though in some cases the same person can be 'Responsible' and 'Accountable'.
Accountable	The entity who has the final authority and accountability to a given task. For any given task, there is only one entity accountable.
Consulted	Entities/people/roles whom we consult and get advice from before and during performance of the task.
Informed	Informed are the entities/people/roles who we inform after we complete the task.
Entity	A term representing an independent legal part of SSSLP.
Head/ Supervisor	SSSLP Member of staff responsible for overseeing and managing an office(s) and/or a project or program.
Office	The part of SSSLP which is initially notified of a suspicious activity.
Limits of responsibility	Each SSSLP Supervisor or Head is responsible only for offices that they directly manage/ oversee (if any). Heads are responsible for the relationship, role and regulations related to the specific donors that SSSLP has contracts with. No Head is expected to be responsible for activities that are not in their domain of control.



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4. Policy Statement:

SSSLP does not tolerate fraud or corruption by staff or related third parties, including any of SSSLP's agents, consultants, vendors, partners or counterparts. SSSLP staff are required to be watchful for fraud, corruption or any suspicious behaviour, and report it to appropriate management. All reported incidents will be appropriately investigated, disclosed to relevant management, governance body and the donor, remediated, and closed out.

5. Policy Details:

Fraud and corruption Intolerance and Reporting Obligations: Any incidence of fraud or corruption or suspicious behaviour must be reported to appropriate senior management as set forth in **Attachment B**.

Internal escalation process: SSSLP will have in place an internal escalation process to ensure appropriate management awareness and expeditious handling, resolution and donor notification as set forth in this policy.

In consideration of local context and donor requirements, if any, SSSLP requires to the maximum extent possible reporting fraudulent and corrupt behaviour to authorities in any given country. Any exception must be justified in writing by the Executive Director or his/her Representative.

Sufficiency of Investigations. Fraud and corruption and allegations of fraud and corruption will be appropriately investigated after considering severity, credibility, potential for reputational damage, and applicable donor requirements. Investigations will generally be led by an appropriate business function, with input from appropriate management and external resources as necessary, including, but not limited to, legal counsel, external audit firms, etc. Any relevant costs including investigations, audit, etc.

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shall be borne consistent with the SSLPP policies and procedures regarding the same.

Confidentiality of Reports and Investigations; Non-retaliation. Any report of alleged or actual fraud and corruption submitted pursuant to this policy must be treated confidentially to the fullest extent practicable. Reports of fraud and corruption or suspected fraud and corruption may be submitted anonymously. Staff will not be retaliated against for good faith reports. Only personnel with a need to know should be advised of a report and any related investigation.

6. Procedures:

Procedure Overview. These procedures are designed to ensure appropriate management, reporting, investigation, remediation and close-out of allegations of fraud and corruption, and appropriate reporting, as specifically set forth below.

Prevention and Awareness: SSLPP is responsible for periodically advising and training its staff, sub-grantees and partners of the content of this policy and for monitoring its implementation in activities for which the SSLPP is the responsible party. Written agreements with external parties should to the maximum extent possible include a written reference to SSLPP's intolerance of fraud and how it should be managed, a form is attached at **Attachment C**.

Report by Staff/Partners/Recipients to Management: Reports from staff, partners, recipients or any external parties must be provided immediately (within three business days unless sooner as required or discovery to appropriate SSLPP management using its applicable escalation process, as well as any other impacted party associated with the relevant funding (as applicable) as set forth in Section 6.4 below. Reports may be received by SSLPP management in any form, but preferably in writing.

Internal Reporting within Head Office and between Offices (Field/ Regional/ Project): Upon awareness of an alleged or suspected fraud and corruption, appropriate management or his/her designate will inform immediately (within three business days



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Appropriate Investigation, Report and Follow-Up: Each office will specify steps to investigate alleged fraud and corruption promptly. Alleged fraud or corruption will be investigated and documented commensurate with severity, credibility, potential for reputational damage, and applicable donor requirements. The SSSLP holding the donor contract should be consulted for guidance on conducting and reporting an investigation. A matter will be considered closed by agreement of all concerned parties when conclusions of an investigation and related remediation activities are satisfactory to each implicated SSSLPM and related donor.

Donor Reporting: SSSLP is responsible for any donor reporting of fraud and corruption and overall assessment of donor implications, but may delegate donor engagement to another office or appropriate party. SSSLP will cooperate with any requests from a donor relating to an ongoing investigation, as applicable.

7. Responsibilities - Reference the SSSLP Anti-Fraud and Anti-corruption Chart:

7.1 All Staff, Partners, Recipients, Agents, Consultants and Vendors

Act according to the acceptable legal and ethical standards and expectations

Be watchful for fraud and corruption at SSSLP or any related third parties including agents' consultants, vendors, and partners

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¹ Please refer to the relevant SSLPP entity for clarity on donor expectations regarding reporting templates and timeframe if any. <e.g. Fraud, corruption and diversion: Any credible suspicion of or actual fraud, bribery, corruption or any other financial irregularity or impropriety should be reported to DFID within 24 hours of it being identified via email, and then narrative report.>



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Report to appropriate senior management or the whistle-blower hotline
Cooperate with any investigation into allegations of fraud or misconduct

7.2. SSSLP Management²

Maintain an adequate control environment, performs regular risk assessments, implements appropriate procedures and internal control activities, ensure sufficient information communication and monitoring of the whole control system is in place

Maintain policies and procedures to detect fraud and corruption

Require staff to report suspicions, allegations or known fraud and corruption

Report all instances of fraud and corruption

Appropriately investigate or establish an appropriate person or team to investigate allegations of fraud and corruption

Depending on context, develop guidelines to ensure clarity of roles and responsibilities

Coordinate with the funding organization(s), as applicable

Ensure implementation of any required or recommended remediation activity

Implement appropriate sanctions against staff who committed fraud and corruption

Communicate appropriately on the sanctions taken in case of fraud and corruption

Sensitize staff and partners about the fraud and corruption risk in the local environment regularly, act transparent and encourage open discussion on challenges

Make the policy and whistle-blower hotline available for all staff including partner staff

Subject to the confidentiality requirements set forth in Section 5.3, the personnel designated above may delegate their responsibilities to a qualified individual. However, the ultimate accountability for specific responsibilities set forth in this policy remains with the original designee.

8. Governance and Accountability

The SSSLP Secretariat will coordinate oversight of this policy in collaboration with SSSLP

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Board of Trustees, and review and update according to the timeframe specified in the policy. The SSLPP Secretariat will monitor and report against this policy utilizing standardized data with appropriate levels of confidentiality for accountability. Any external reporting shall require the prior agreement of the SSLPP Board of Trustees.



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9. Annexes:

9.1. Annex A: Examples of Fraud and Corruption

- Intentional concealment, omission, falsification or perversion of truth
 - Inducing another to part with some valuable item or surrender a legal right
 - Nepotism
 - Bribery, kickbacks and/or gratuities
 - Collusive behaviour with vendors
 - Keeping false records,
 - False claims (e.g. requesting payment for goods, services or activities not actually performed)
 - Embezzlement, and theft
 - Receiving or providing financial and non-financial favours with the intent of facilitating activities that the person may not normally receive
 - Conflict of interest
- Falsification, misappropriation, and other fiscal irregularities refer to, but are not limited to:
- Any dishonest or fraudulent act
 - Forgery or alteration of any document or account (including, but not limited to timesheets, payroll, accounts, travel and expense reports, procurement documents or inventory/asset registers)
 - Forgery or alteration of a cheque, bank draft, or any other financial documents
 - Misappropriation of funds, commodities, securities, supplies, equipment, or other assets
 - Impropriety in the handling or reporting of money, financial transactions, or bidding procedures
 - Accepting or seeking anything of material value from suppliers or persons providing services/materials as provided by applicable policies on gifts
 - Destruction or misappropriation of records, furniture, fixtures, or equipment
 - Diversion, alteration, or mismanagement of documents or information, and/or any similar or related irregularity
 - Any malicious use of internet and IT documents or messages
 - Cybercrime and/or identity theft



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9.2. **Annex B:** Description of Anti-Fraud and Corruption Reporting Pathways



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9.3. Annex C: Suggested Language for Contracts with External Parties

Suggested Language for Agreements with External Parties

Fraud and Corruption. SSSLP does not tolerate fraud and corruption, and we expect the same from everyone with whom we work. [Insert outside party defined term] shall maintain and comply with written codes of conduct and policies and procedures that protect against any form of fraud and corruption, bribery, kickbacks, conflicts of interest, and others. Upon request, [insert outside party defined term] shall share with SSSLP its applicable codes of conduct, policies and procedures. [Insert outside party defined term] shall inform SSSLP immediately (within twenty-four hours) and in writing of any instance of actual or suspected fraud or corruption related to its work hereunder and shall respond promptly to and fully cooperate with any investigation SSSLP or any donor, in their discretion, may require. [Insert outside party defined term] shall make all staff aware of and encourage reporting of any suspected or actual fraudulent or corrupt behaviour to SSSLP's Head Office located at [50 Area 14, Off Presidential Way, Lilongwe](#), which enables confidential reporting of fraud by submitting anonymous reports and emails. [Insert outside party defined term] shall be financially responsible for any losses due to fraud, and shall promptly refund such amounts to SSSLP.



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9.4. Annex D: Initial Investigation of Suspected Fraudulent Act Report

Initial Investigation of Suspected Fraudulent Report	
<p>Pursuant to SSLPP's Policy on Fraud and Corruption Prevention, Awareness, Reporting and Response, each SSLPP office or entity receiving an allegation of fraud or corruption must complete and submit this report immediately (within three business days or sooner). This form should be submitted in all cases regardless of donor, amount, or materiality, and should be submitted prior to a full investigation. The SSLPP Finance and Admin Office or his/her delegate should transmit this document electronically to the appropriate senior management. One or two sentence responses to each item below are sufficient for purposes of this initial report.</p>	
SSLPP Office or Entity	
Donor(s) and project(s) compromised	
Date of discovery	
Method of discovery	
Date reported to funding SSLPP Member Partner (if applicable)	
Details	
Amount or value (estimate if necessary)	
Initial internal control weaknesses or systems failures identified	
Initial remedial actions taken	
Potential for additional related fraud or corruption losses	
Initial determination of fraud/corrupted amount	
Initial determination if donor reporting is required	

[Attach additional pages or attachments if necessary]



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9.5. Annex E: Anti-Fraud and Corruption Reporting Diagram:





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9.6. Annex F: Anti-Fraud and Anti-Corruption RACI Chart

Function	Activity	Responsible	Accountable	Consulted	Informed
1) Prevention and awareness (entity's own offices and overseas offices that they manage) ³	a. Orientation and training for new staff, partners, refresher trainings.	Office	LM	CMPs	CMPs
	b. Systems review, spot-checks, internal audits.	Office, CMP, LM	LM	CMPs	LM, CMPs, Donor
	c. Internal controls in place	Office	LM	CMPs	CMPs
	d. Donor regulations, policies and reporting procedures,	CMP	LM	Donor	Donor
2) Violation alert (tip-off, verbal or written report)	a. Careline report received and shared to implicated entities.	Legal CUSA	CUSA	CMP	Implicated LM and/or CMP
	b. Report through SLLP general email received and shared with implicated entities.	Legal USA	CUSA	CMP	Implicated LM and/or CMP
	c. Report received by a Lead Member and shared with implicated entities.	LM	LM	CMP	Implicated CMP

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	d. Report directly to an office received and shared with implicated entities.	Office	LM or related entity	CMP	Implicated CMP
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3) Initial Investigation	a. Conduct initial investigation constantly.	Office	LM or related entity	CMP	Implicated CMP
	b. Results are shared in preliminary report along with recommendation for further /larger investigation.	Office	LM or related entity	CMP	Implicated CMP
	c. Reporting back to complainant if necessary.	Office	LM or related entity	CMP	Implicated CMP
	d. Initial donor report.	CMP	CMP	CMP	Office, LM
	a. Action / corrective action plan developed and shared.	Office/LM	LM or related entity	CMP	Implicated LM
	b. Donor report.	CMP	CMP	CMP	Office, LM

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³ All CARE entities are expected to coordinate their efforts in order to ensure maximum efficiency

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	c. Implement appropriate sanctions and corrective measures	Office/LM	LM or related entity	CMP	Implicated CMP
5) Major Investigation	e. Sourcing external assistance if needed (e.g., TOR, cost, etc.)	Office/LM	LM or related entity	CMP	Implicated CMP
	f. Draft report and recommendation produced and shared.	Office/LM	LM or related entity	CMP	Implicated CMP
	g. Feedback for report finalization.	Office/LM	LM or related entity	CMP	Implicated CMP

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