# ANTI – FRAUD POLICY:

## INTRODUCTION

CDF operates in many States, and in common with many other organizations, which put it at risk of loss due to fraud.

## THE PURPOSE OF THIS POLICY:

**The purpose of this policy is:**

- To set out procedures for the prevention of detection of fraud and allow Child Development Foundation to protect itself from losses from fraud, corruption and other irregularities.
- Set out the Foundation's responsibilities in observing and upholding its policy on fraud.
- Provide information and guidance to Foundation employees and partners, grant recipients and their associates on how to recognize and deal with fraud issues.
- Establish standards of conduct for Foundation employees and partners, grant recipients and their associates so as to ensure that the relevant legislation is not violated.

This policy is part of a series of related Child Development Foundation policies and procedures developed to provide sound internal financial controls and to counter any fraudulent activity. These include: codes of conduct for the staff, internal control systems; effective internal audit; effective recruitment and selection procedures and, Child Protection Policy, Financial Policy, Human Resource policy.

**This policy is to provide the followings:**

1. A clear definition of what we mean by fraud.
2. A definitive statement to staff forbidding fraudulent activities in all its forms.
3. A summary to the staff of their responsibilities to identifying exposures to fraudulent activities and establishing controls and procedures preventing such activities and detecting such activities when it occurs.
4. Guidance to action where suspects any fraud activities.

5. Guidance for conducting investigations into fraud activities.

**WHO is covered by this policy?**

This policy applies directly to Child Development Foundation Staff, all individuals working within the Foundation as employees, agents, consultants or other persons who may represent the Foundation from time to time.
the Board of Trustees Members.
The policy is provided to other partners, Donors, grant recipients and associates, who will be required to take reasonable steps to ensure that, in carrying out activities supported by the Foundation.
In this policy, "third party" means any individual or organization CDF come into contact with during the course of its role.

The General Director is responsible for ensuring that third parties who carry out activities supported by the Foundation understand the requirements

**Fraud Policy Definition:**

***Fraud*** is defined as dishonest, irregular or illegal acts, characterized by a deliberate intent at concealment or false representation, resulting in the diversion of resources, whether or not for personal gain, for the benefit of an individual or group of individuals and resulting in a loss or the potential loss of resources to the organization.

***Financial fraud*** is defined as a deliberate act or failure to act with the intent to obtain unauthorized financial benefit from Child Development Foundation for oneself, one's family, or one's associates. Financial fraud includes, but not limited to, misappropriation of CDF funds or property, authorizing or receiving compensation or reimbursement for goods not received or services not performed, falsification of work/employment records, or unauthorized alteration of financial records.

**Fraud includes but is not limited to the following:**

- Theft of funds or any other CDF properties.
- Falsification of costs or expenses.
- Forgery or alteration of documents.
- Destruction or removal of records.

- Inappropriate personal use of CDF's assets.
- Blackmail or extortion.

## WHO IS RESPONSIBLE FOR THE POLICY?

### The Board of Trustees

- The Board of Trustees has overall responsibility for ensuring this policy complies with the Foundation's legal and ethical obligations, and that all those under our control comply with it.

### General Director

- The General Director of Child Development Foundation have primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation.
- Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

### Sub Offices Managers

- The Sub offices Managers responsibility is to be familiar with the types of fraud that might occur in their offices, and be alert for any indication of fraud or improper activity and maintain controls to avoid such occurrences.
- Managers are required to ensure that all staff under their control be given a copy of this policy understand it and acknowledge its receipt.
- Managers should also ensure that staff be encouraged to report suspected issues of fraud.
- The managers make sure that any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. The Foundation also reserves the right to terminate its contractual relationship with its partners, grant recipients, and associates if they breach this policy.

### Staff

- All employees must ensure that they read, understand and comply with this policy.
- All employees responsibility is to carry out their work in such a way as to prevent fraud occurring.
- All employees must also be alert for occurrences of fraud.
- All employees must also be aware of unusual transactions or behaviors could be indications of fraud, and report potential cases of fraud.
- The prevention, detection and reporting of fraud are the responsibility of all those working for the Foundation or under its control. All employees are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- All employees must notify their line manager as soon as possible if believed or suspect that a conflict with this policy or the Fraud Act by any employee or third party has occurred, or may occur in the future.

**Risk Assessment, Monitoring and Review:**

- As part of its annual risk assessment process the Board of Trustees will monitor the effectiveness and review the implementation of this policy, considering its suitability, adequacy and effectiveness.
- The General Director, program, monitoring and evaluation. Administration managers and Human Resource managers will carry out regular audits of the Foundation's control systems and procedures to provide assurance that they are effective in countering fraud.
- All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- This policy does not form part of any employee's contract of employment and it may be amended at any time.

**RECORD-KEEPING**

- The Foundation must keep financial records for Five years, and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- CDF must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Foundation's financial policy and specifically record the reason for the expenditure.

- All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers, contractors and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

**TRAINING AND COMMUNICATION**

- All Child Development Foundation employees will receive relevant training on how to adhere to this policy.
- The Foundation's zero-tolerance approach to fraud will be communicated to all partners, Donors, grant recipients, associates, suppliers, and contractors at the outset of its relationship with them and as appropriate thereafter.

**Reporting Suspected Fraud**

- Employees are required to report issues of suspected fraud. Employees should report their suspicions to their Line Manager, or to the General Director.
- General Director is required to report issues of suspected fraud to the Members of the Board of Trustees and the General Assembly.

**Internal Controls**

Internal controls are policies, practices, and procedures that are designed to provide reasonable assurance that objectives are achieved in the following categories:

- Effectiveness and efficiency of operations (including safeguarding of assets and records).
- Reliability of financial reporting.
- Compliance with laws and regulations.

Child Development Foundation will utilize all reasonable internal controls, including proper segregation of duties, to monitor and control the use of assets, and thereby reduce the potential for financial fraud.

**Internal reporting**

- All instances of suspected fraudulent and / or corrupt behavior should be reported for appropriate action.
- CDF will assess all allegations of fraud or corruption.
- All staff who are involved in or become aware of an investigation into possible fraud or corrupt conduct must keep the details and results of any investigation confidential.

**Investigations**

CDF's response to fraud and corruption allegations or matters will vary, according to the nature and seriousness of the alleged conduct. A full investigative response will be undertaken where the conduct, if proved, could result in dismissal or demotion. Investigations should be done either by appropriately experienced independent staff, or by independent third parties. An investigation is required to be done without regard to any person's relationship with CDF, position or length of service.

Where investigation is required, the General Director (as appropriate), will appoint an Investigations Team, who may be internal audit or an external party to CDF. The team will focus on dealing with corrupt to conduct the formal investigation. The responsibilities will be and described as follows:

- conducting the investigation
- gathering the evidence
- Concluding the investigation.
- Provide an initial report and recommendation to the General Director.
- The General Director will review the outcomes and recommendations made by the Investigation Team and commence appropriate action.

The safeguards for reporting must be applied in all cases. All work of the investigation team should be documented, including transcripts of interviews conducted.
The conclusion of all fraud investigations must be documented. The responsible manager should forward the written report/conclusions to the persons requiring notification, 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, but this should be done only once the report and proposed course of action has been finalized.

**PROTECTION**

Employees who raise concerns or report another's wrongdoing are sometimes worried about possible repercussions. It is the Foundation's policy that employees will not suffer retaliation or harassment for reporting in good faith any compliance concerns. The Foundation aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy.

CDF is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in fraud.

**Effective Date**

The Anti-Fraud Policy will come into effect immediately upon approval by Council.

**Review of this Policy**

In the interests of maintaining best practice, the contents of this Anti-Fraud Policy will be reviewed periodically in order to determine whether it remains useful, relevant and effective every three years.

CDF
مجلس الأمناء
2/2/2023