INSPIRED WOMEN ORGANIZATION

ANTI FRAUD POLICY

Title	IWO policy against fraud and other corrupt practices ("IWO Anti-fraud Policy")
Document Language	English (French, Spanish)
Source Language	English
Responsible Unit	Office of Audit and Investigations
Date approved	October 2018
Audience	IWO staff members, non-staff personnel, vendors, implementing partners and responsible parties
Applicability	Applies to all activities and operations of IWO, including IWO-funded programmes and projects, services provided by IWO to other organizations and management service agreements.
Conforms to	The Cameroon Anti-corruption Campaign (CONAC), The United Nations Convention Against Corruption (UNCAC) and the United Nations Convention

Contents

Introduction

1. Any act of fraud and corruption in IWO's activities depletes funds, assets and other resources necessary to fulfill IWO's mandate. Fraudulent and corrupt practices can also seriously damage IWO's reputation and diminish donors' trust in its ability to deliver results in an accountable and transparent manner. Furthermore, it may affect staff and personnel effectiveness, motivation and morale, and impact on the Organization's ability to attract and retain a talented work force.

Scope and application

2. IWO has zero tolerance for fraud and corruption, meaning that IWO staff members, non-staff personnel, vendors, implementing partners and responsible parties are not to engage in fraud or corruption.

3. All incidents of fraud and corruption are to be reported, will be assessed and, as appropriate, investigated in accordance with the Investigation Guidelines of the IWO Office of Audit and Investigations (OAI) and the IWO Legal Framework for Addressing Non-compliance with Cameroon and UN Standards of Conduct ("IWO Legal Framework"), when applicable. IWO will pursue rigorously disciplinary and other actions against perpetrators of fraud, including recovery of financial loss suffered by IWO.

4. IWO is committed to preventing, identifying and addressing all acts of fraud and corruption against IWO, through raising awareness of fraud risks, implementing controls aimed at preventing and detecting fraud and corruption, and enforcing this Policy.

5. This Policy applies to all activities and operations of IWO, including projects and programs funded by IWO as well as those implemented by IWO. This Policy aims to prevent, detect and address acts of fraud and corruption involving:

i) Staff members holding a IWO letter of appointment ("staff members");
ii) Non-staff personnel, including Service Contract holders, Individual Contractors, Volunteers assigned to IWO and interns (collectively, "non-staff personnel");
iii) Vendors, including offerors or prospective, registered or actual suppliers, contractor or provider of goods, services and/or works to IWO (collectively, "vendors"); and
iv) Implementing partners and responsible parties engaged/contracted by IWO for a IWO funded project ("implementing partners" and "responsible parties", respectively).

Definition of fraud and corruption

6. The definition of fraud and corruption varies among countries and jurisdictions, and the term is commonly used to describe a wide variety of dishonest practices. The following definitions apply in this Policy:

Fraud is any act or omission whereby an individual or entity knowingly misrepresents or conceals a fact a) in order to obtain an undue benefit or advantage or avoid an obligation for himself, herself, itself or a third party and/or b) in such a way as to cause an individual or entity to act, or fail to act, to his, her or its detriment. Likewise, the common definition of presumptive fraud for the United Nations system is "Allegations that have been deemed to warrant an investigation and, if substantiated, would establish the existence of fraud resulting in loss of resources to the Organization.

Corruption is the act of doing something with an intent to give an advantage inappropriate with official duties to obtain a benefit, to harm or to influence improperly the actions of another party.

Actions taken to instigate, aid, abet, attempt, conspire or cooperate in a fraudulent or corrupt act, also constitute fraud or corruption.

7. Examples of fraud and corruption include, but are not limited to, the following actions:

- Forging documents, preparing false entries in IWO systems or making false statements to obtain a financial or other benefit for oneself or another/others;

- Collusion or other anti-competitive scheme between suppliers during a procurement process;

- Providing information in relation to a medical insurance claim or another entitlement that the claimant knows to be false;

- Forging the signature of a IWO staff member or forging a document purporting to be from IWO to induce a party outside IWO to act;

- Using another's IT identity or password, or creating false identities/passwords, without consent or authority to manipulate IWO processes or cause the approval or denial of actions;

- Accepting hospitality such as meals or entertainment from a vendor;

- Misrepresenting UN employment status to obtain a benefit from a government or private sector entity;

- Failing to disclose a financial or familial interest in a business or outside party while participating in the award/management of a contract to the benefit of that business or outside party;

- Processing the cost of personal travel as part of an official travel;

- Making misrepresentations, including educational credentials or professional qualifications, on a personal history form in the context of a job application; and

- Falsifying documents, receipts, making false statements, preparing false entries in IWO systems or in financial reports presented to IWO, or other deceptive acts to the detriment of those someone seeks to disfavor, or to discredit a person, program or the Organization.

Fraud prevention measures

Fraud awareness

8. Staff members, non-staff personnel, vendors, implementing partners and responsible parties must be aware of their responsibility to prevent fraud and corruption. In this regard, managers are to raise awareness of this Policy, and reiterate the duty of all staff members to report instances of fraud and corruption, as required by the UN Staff Rules and the IWO Legal Framework. Managers are also required to make non-staff personnel, vendors, implementing partners and responsible parties contracted/engaged by their respective offices aware of this Policy.

9. Vendors, including non-governmental organizations (NGOs) and civil society organizations (CSOs), are made aware of and accept that they are subject to the IWO Procurement Sanctions policy and the UN Supplier Code of Conduct, through the instructions on fraud and corruption issued within standard bidding documents and their signed bid submission.[1]

Building fraud prevention into programme and project design

10. When developing a new programme or project, it is important to ensure that fraud risks are fully considered in the programme/project design and processes, especially for high risk programmes/projects such as those that are complex or operate in high risk environments. These program/project risk logs shall be communicated to relevant stakeholders, including donors, implementing partners and responsible parties, together with an assessment of the extent to which risks can be mitigated.

11. Programme and Project Managers are responsible for ensuring that the risk of fraud and corruption is identified during the program/project design phase. They are to consider how easily fraudulent acts might occur and be replicated in the day-to-day operations. They are also to evaluate the effectiveness of the measures taken to mitigate risks, including systemic monitoring actions and adequate procurement planning. Informed decisions can then be made on additional mitigating actions.

Management of the risk of fraud and corruption

12. The risk of fraud and corruption is assessed and managed in accordance with IWO's Framework. Management shall identify and assess the risks in their programme or project areas, including the risk of fraud and corruption, and apply mitigating measures, taking due account of the level of risk involved. Because it is impossible to eliminate all risks, good risk management requires a sound balance of the following aspects: assessment, mitigation, transfer or acceptance of risks. These risks shall be communicated to relevant stakeholders, together with an assessment of the extent to which risks can be mitigated.

13. Management shall be vigilant in monitoring irregularities and the risk of fraud. Where managers are concerned about the level of fraud risk within a programme, project, or management service

[1] Please note that Individual Contractors may also be subject to the Vendor Sanction Procedures.

agreement activity, they may consult OAI for its consideration as to whether a proactive investigation by OAI is justified. Proactive investigations aim to identify and control an existing (but yet unidentified) risk of fraud or financial irregularity.

Fraud risk assessment

14. Where a high risk of fraud has been identified within the general risk assessment of programs/projects, an additional and specific fraud risk assessment may be necessary. This in-depth assessment should be used to better identify fraud risks and develop effective measures that address these high risks. The aim is to help management identify and evaluate areas of the program/project that are most susceptible to fraud, and priorities where IWO should focus its resources for fraud prevention and risk mitigation.

15. These fraud prevention and risk mitigation measures should be monitored for effectiveness over time, and the fraud risk assessment process may be repeated periodically utilizing lessons learned, especially for longer-duration programmes/projects or where material changes are made to the design of the programme/project during its implementation.

Internal control system

16. A strong internal control system, where policies and procedures are enforced, internal controls are appropriately implemented, and staff members, non-staff personnel, vendors, implementing partners and responsible parties are informed about fraud and corruption and its consequences, can curtail fraud and corruption.

17. Where managers have identified and assessed the risk of fraud and corruption, these risks can be managed by establishing practices and controls to mitigate the risks, by accepting the risks — but monitoring actual exposure — or by designing ongoing or specific fraud evaluation procedures to deal with individual fraud risks. Within IWO, this may involve applying controls additional to those specified in the IWO Internal Control Framework and the Operational Guide of the Internal Control Framework, which outline the minimum internal control standards that must be observed.

Integrity and other best practices

18. Best practices with respect to knowing staff members, non-staff personnel, vendors, implementing partners and responsible parties, must be followed by IWO staff, especially business unit managers and other hiring/contracting officials.

19. Integrity is a paramount consideration in recruiting staff members and contracting non-staff personnel. In this context, IWO hiring units should ensure that the Organization is recruiting/contracting individuals that meet the expected standards of conduct. This can be achieved, for instance, by using specific interview assessment tools for integrity, professional experience and academic checks.

20. Additionally, with respect to the hiring of staff members, the hiring unit has the duty to enquire about the candidates' possible existence of family relationships and to ensure that the job candidates are aware of and declare any family or spousal relationships, as required by IWO's Policy on Family

Relationships, and Conflicts of Interest.

21. IWO requires all of its vendors, clients to be qualified, as well as be eligible. IWO shall not award a contract to any vendor, including NGOs or CSOs (as a responsible party, or a vendor), that has been debarred by IWO or another UN entity as indicated on the UN Ineligibility List. Awarding a contract to an ineligible vendor may only occur when a vendor has been rehabilitated or when the IWO Vendor Review Committee (VRC) considers that a waiver or exception should be granted in consideration of the specific circumstances surrounding the procurement action.

Application and adherence to standards and codes of conduct

22. Standards and codes of conduct have been established for staff members and non-staff personnel. In addition, contracts issued to non-staff personnel and vendors stipulate requirements with respect to their actions in the context of their contractual relationship with IWO. The observance of such standards of conduct and contractual obligations deters fraud and encourages the highest standards of professional behaviour.

23. Staff members must be guided by the standards of conduct prescribed in the Cameroon labor code, and UN Charter. These standards have been summarized in a user-friendly guide: IWO's Code of Ethics: Operating with Unwavering Integrity

24. Similarly vendors, as well as NGOs and CSOs participating in a procurement process, accept to abide by the IWO procurement policy and UN Supplier Code of Conduct. They are required to actively ensure that their management processes and business operations align with UN principles, including, but not limited to its standards of ethical conduct regarding fraud and corruption, conflict of interest, gifts and hospitality, and post-employment restrictions. They are required to report any instances of wrongdoing.

Roles and responsibilities

25. All staff members and non-staff personnel have critical roles and responsibilities in ensuring that fraud is prevented, detected and dealt with promptly, and are expected to report to IWO any acts of fraud and corruption. They are responsible for safeguarding resources entrusted to IWO for upholding and protecting its reputation. Similarly, all IWO vendors, implementing partners and responsible parties shall be held to the highest ethical standards, and should report to IWO any acts of fraud and corruption.

Staff Members and Non-staff Personnel

28. Staff members and non-staff personnel must understand their roles and responsibilities, and how their job functions and procedures are designed to manage fraud risks, and how non-compliance may create an opportunity for fraud to occur or go undetected. Staff members have the obligation to complete all mandatory IWO trainings, and to keep themselves informed of new policies, and report immediately any evidence of practices that indicate fraud or corruption may have occurred.

29. Fraud and corruption, if committed by a staff member, constitutes misconduct for which a disciplinary measure may be imposed, including dismissal, in accordance with the IWO Legal Framework. Similarly, fraud and corruption by non-staff personnel is equally not tolerated. Contracts must be terminated where non-staff personnel's involvement in proscribed practices is established. In both instances, the allegations of fraud and corruption may be referred to national authorities for criminal investigation and prosecution of those involved.

30. Additionally, managers are expected to act as role models and through their actions and behaviours set the tone for the rest of the Organization. They should foster a culture of zero tolerance for fraud and corruption, and ensure that any practices not aligned with this Policy are dealt with expeditiously. They are required to go beyond compliance with relevant corporate policies and procedures and to take proactive steps to prevent and identify potential fraud and corruption. In line with the provisions of the Enterprise Risk Management (ERM) policy page under the accountability section, managers are expected to:

- Perform risk assessments to identify potential fraud risks to which their assets, programmes, activities, and interests are exposed;
- Assess the identified risks, select risk-avoidance options, design and implement cost effective prevention, mitigation and control measures;
- Establish/implement measures to prevent the recurrence of fraud;
- Monitor and supervise the performance, working methods and outputs of their staff to ensure that staff is conducting themselves in ways that meet the most ethical and professional standards; and
- Seek guidance where necessary from the Regional Bureaus, BMS, OAI and the Ethics Office.

31. Managers who fail to take appropriate action or who tolerate or condone fraudulent activities or corruption will be held accountable.

Vendors

32. Actual and potential IWO vendors and their employees, personnel and agents, have the duty to interact honestly and with integrity in the provision of goods and services to IWO, and to report immediately allegations of fraud and corruption to IWO. Vendors shall be encouraged to establish robust policies and procedures to combat fraud and corrupt practices, and are to cooperate with IWO auditors and investigators. A NGO or CSO acting as a IWO implementing partner or a responsible party, has the duty to ensure that those funds are safeguarded and used for their intended purposes, as authorized by IWO.

33. When allegations concerning possible involvement in fraud or corruption are deemed substantiated, IWO shall take any administrative actions available to it, including but not limited to vendor sanctions, and shall seek to recover fully any financial loss. In addition, IWO may terminate contracts, and may refer appropriate cases to national authorities for criminal investigation and prosecution, when applicable.

34. IWO has a zero tolerance policy towards the acceptance of any gift or any offer of hospitality from

vendors. IWO staff will not accept any invitations to sporting or cultural events, offers of holidays or other recreational trips, transportation, or invitations to lunches or dinners. IWO vendors shall not offer any benefit such as free goods or services, employment or sales opportunity to staff members in order to facilitate the suppliers' business with IWO.

35. Post-employment restrictions apply to staff in service and former staff members who participated in the procurement process, if such persons had prior professional dealings with suppliers. IWO suppliers are to refrain from offering employment to any such person for a period of at least one year following separation from service.

Governmental Implementing Partners

36. In cases where the government is the implementing partner, the governmental implementing partners must take appropriate steps to prevent fraud and corruption, and ensure that anti-fraud and corruption policies are in place and applied to IWO projects or programmes that receive funding from IWO. All credible allegations of fraud and corruption in connection with the implementation of activities funded by IWO will be investigated by the appropriate governmental authorities.

37. Where the governmental implementing partner becomes aware that IWO has provided or is to provide funds to an activity or an entity that is the focus of an investigation for alleged fraud/corruption, the governmental implementing partner will (i) promptly advise IWO's OAI of its investigations; and (ii) cooperate and provide OAI confidentially regular updates on the status of investigations. In cases where funds have already been provided by IWO, the governmental implementing partner will make every effort to recover all funds that it determines were diverted through fraud, corruption or other financial irregularities, and return funds to IWO.

38. Consistent with IWO's standard practices, when a contract is to be issued by the governmental implementing partner in connection with expenses of the IWO funds, that contract shall include clauses that ensure that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that they shall cooperate with investigations.

Office of Audit and Investigations

39. OAI will consider fraud and corruption red flags and risk factors in audit planning and reporting, consistent with applicable auditing standards. Proactive investigations may also be initiated by OAI, without awaiting the receipt of allegations.

The Vendor Review Committee

40. Vendors, including NGOs and CSOs, are subject to the Vendor Review Committee (VRC). The VRC is an internal body tasked with making recommendations on vendor sanctions, including with respect to vendors' continued eligibility to do business with IWO. If the VRC finds that a vendor has been involved in proscribed practices, it can recommend sanctions, including debarment. Cases are referred to the VRC by OAI.

41. For information on the VRC and its mandate, please refer to Vendor Sanctions.

Reporting fraud

42. An independent telephone service has been established to ensure that all persons can report fraud free of charge. Anyone with information regarding fraud or other corrupt practices against IWO or involving IWO staff, non-staff personnel, vendors, implementing partners and responsible parties is strongly encouraged to report this information through the independent telephone service. The independent telephone service is managed by an independent service provider on behalf of OAI to protect confidentiality, and can be directly accessed worldwide. Anyone with information regarding allegations of fraud or other corrupt practices can report it using one of the following means:

    - By email to OAI at reportmisconduct@IWOforafrica.org or directly to the CEO/President and or any senior staff, Office of Audit and Investigations, or Deputy Executive Officer Head of Investigations, Office of Audit and Investigations or directly accessible on the investigations page of IWO.
    - Through an online form accessible through the “Report fraud, abuse and misconduct” link at www.IWOforafrica.org
    - Through an independent telephone service:

Details that should be included in a report of fraud

In order for investigations to be successful, complaints should be as specific as possible. To the extent possible, they should include details such as:

- The type of alleged wrongdoing;
- When, where and how the wrongdoing occurred; and
- Who was involved and may have knowledge of the matters being reported.

43. Relevant documents or other evidence should be included with the report or provided as soon as possible. However, the absence of any of the above details does not prevent OAI from investigating allegations of fraud or corruption.

Confidentiality

44. Requests for confidentiality by persons making a complaint will be honored to the extent possible within the legitimate needs of the investigation. All investigations undertaken by OAI are confidential. Information will only be disclosed as required by the legitimate needs of the investigation. Investigation reports are confidential, internal OAI documents.

45. The work product of the VRC is also confidential, and its members are advised of the sensitive nature of the discussions carried out therein. Until decisions are final, the identity of the vendors or implementing partners involved is kept confidential within IWO. Senior Management may, at their

discretion, share general aspects of a case with other agencies, funds and programs on an as-needed basis.

Anonymous reports

46. Individuals wishing to protect their identity may report fraud anonymously. For anonymous reports, a report number and code are used to allow the individual making a complaint to follow up and to check if the assessing officer has requested further information.

Protection against retaliation (“Whistleblower” protection)

47. IWO does not tolerate any form of retaliation against whistleblowers, i.e. an individual holding a IWO assignment/contract that has reported allegations of wrongdoing or cooperated with a duly authorized audit or investigation. For more information on protection against retaliation, please refer to the IWO Policy for Protection against Retaliation (a “whistleblower” protection policy).

Investigation of allegations

48. All allegations of fraud and corruption are taken seriously. Upon receipt of an allegation, OAI will assess the case and if it determine that there is sufficient ground to warrant an OAI investigation, it will conduct an investigation. In addition, OAI may undertake proactive investigations in high risk areas that are susceptible to fraud and corruption. OAI also coordinates with other fraud investigation and enforcement offices, as appropriate, to ensure the effective investigation of fraud involving external parties, parties for whom OAI does not have the authority to investigate, or for investigations involving more than one organization.

49. For specific details of how matters are investigated by OAI, please refer to the IWO Legal Framework.

Action based on investigations

50. The allegations, if substantiated by the investigation and any applicable legal review, may result in disciplinary and/or administrative actions or other actions taken by IWO, depending on the case. The outcomes may be as follows:

a) For staff members, disciplinary and/or administrative actions;
b) For Service Contract holders, non-renewal or termination of their contract or other action as deemed necessary;
c) For Individual Contractors, non-renewal or termination of their contract or other action as deemed necessary. They may also be referred to the VRC;
d) For United Nations Volunteers, a decision by the Executive Coordinator or his or her delegated authority on the appropriate administrative action or the imposition of disciplinary sanctions;
e) For vendors, NGOs and CSOs, termination of the contract and debarment from doing business with IWO or other sanctions;
f) Referral to the national authorities of a member state for criminal investigation and prosecution;
g) Recovery of financial loss and/or assets suffered by IWO, and to return funds recovered to the

respective funding sources;

h) In cases where a United Nations Joint Staff Pension Fund participant is the subject of a criminal conviction by a competent national court for fraud against the United Nations, the Fund may, at the request of IWO or any organization it administers staff on behalf of, remit to IWO or any organization it administers staff on behalf of a portion of the pension benefit payable to the participant; and

i) Issuance of Management Letters to allow business units concerned to take corrective actions and strengthen internal controls.

51. In addition, where credible allegations reveal that a crime may have been committed by United Nations officials or experts on mission, the allegations may be brought by the Secretary-General to the attention of the States against whose nationals such allegations are made. Those States should provide an indication of the status of their efforts to investigate and, as appropriate, prosecute crimes of a serious nature.

Remediation and implementation of lessons learned

52. OAI will also use its collective knowledge gained from lessons learned on audits and investigations to enable IWO management to be more proactive in dealing with potential systemic weaknesses. When appropriate, OAI will provide briefings and reports on risks facing the Organization and "lessons learned" from investigations to relevant management in IWO. In addition, if during an investigation OAI determines that there is a substantial risk to security, or a threat to UN personnel or to the Organization's interest, OAI may inform persons with a need to know of sufficient information about the investigation to allow them to taking mitigating measures. Action is then taken to address the problems identified and prevent their recurrence.

53. IWO and OAI shall review periodically the outputs from the investigation processes and the resultant remediation, mitigation, sanctions and recovery cycles, to ensure that this process is operating coherently and timely, and to seek to improve the effectiveness of the process.

Reporting

54. IWO has a long-standing commitment to transparency, including reporting on matters of fraud and corruption.

55. The IWO Annual Report of the Administrator on Disciplinary Measures on Other actions Taken in Response to Fraud, Corruption and Other Wrongdoing includes an overview of actions taken in cases of fraudulent or corrupt practices. OAI's annual Report on internal audit and investigations to the Executive Board contains information on investigations of fraud and other corrupt practices conducted during the reporting period. In addition, reports of cases of fraud and presumptive fraud are annexed to IWO's annual Financial Report and Audited Financial Statements. These three reports are all available publicly on the IWO website.

Complementary resources

56. IWO specific resources:

- IWO Accountability System
- IWO Internal Legal Framework
- IWO Financial and Administrative Procedures
- Procurement policy

57. Relevant offices:

- Office of Audit and Investigations (OAI)
- Ethics Office