



ANTI-FRAUD AND ANTI-CORRUPTION POLICY

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Policy control sheet

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Department/ Office in charge	Management team lead
Policy owner ^{4,5}	Amuno Rural Hub

¹ Revised versions of the policy may be approved by the policy owner through the SMT or the Advisory Board depending on the significance of the revisions or amendments. See the Policy on Policies for details.

² All policies must be approved in the first instance either by SMT or the Amuno Advisory Board.

³ Date policy originally approved by SMT/Board

⁴ The policy owner will always be amuno.

⁵ The policy owner may delegate responsibility for the policy to a person or department within the amuno team. The responsible officer/ department is responsible for ensuring that the policy is up to date, communicated to staff and complied with at all times.

AMUNO ANTI-FRAUD AND ANTI-CORRUPTION POLICY:

This Policy is designed to ensure that Amuno Rural Hub (amuno) is able to control and regulate any incidences of fraud and corruption are identified and addressed in an appropriate and timely manner.

This Policy applies to Amuno's Advisory Board, all Amuno's (and subsidiary company) employees, including affiliate organisations, and to all paid and unpaid consultants, mentees, contractors, interns, secondees and volunteers that provide supplies, services or support, to Amuno Rural Hub (amuno) or promote its work at any location in Uganda or outside Uganda. All such parties are referred to as "employee/ staff" in this document.

This Policy also applies to amuno's partners, vendors and other third parties, where it is included or referenced in relevant bid or tender documents, agreements, memorandums, purchase orders or contracts.

INTRODUCTION

Amuno is committed to acting professionally and fairly in all of its dealings and relationships, employing the highest standards of openness, transparency and accountability and takes a zero-tolerance approach to fraud, bribery and corruption.

Amuno promotes a culture of honesty and integrity, and totally opposes any form of fraud, bribery or corruption. Fraud, bribery and corruption impact disproportionately on the poor and the most vulnerable communities in Uganda. Such criminal activities divert resources intended for humanitarian assistance and development away from our intended beneficiaries; they increase the costs of basic public services; and undermine economic growth. Such actions are a barrier to sustainable development and community empowerment. The purpose of the amuno's Anti-Fraud and Anti-Corruption Policy is to provide clear definitions of what we mean by fraud, bribery and corruption. It is also a definitive statement to everyone associated with amuno - making it clear that we will not tolerate fraudulent or corrupt activities, and the giving or receiving of bribes. This policy summarises the responsibilities of all amuno staff and Board members to adhere to and uphold amuno's position on fraud, bribery and corruption.

Amuno's Audit Committee, Advisory Board and Senior Management Teams are committed to the implementation of this policy and to ensuring that training and support is provided to all employees and Board members on its content, and on their individual and collective responsibilities.

DEFINITIONS

What is Fraud?

Fraud is used to describe a range of illegal activities. These include, but are not limited to, deception, forgery, theft, the false reporting or concealment of material facts, collusion and corruption (including bribery) and undeclared conflicts of interest (please see Amuno's Conflict of Interest Policy).

Examples of fraud other than bribery, include, but are not limited to:

- Theft of money, property or assets
- Inappropriate use of company assets
- Submitting false expense claims
- Forging, tampering with or falsely creating documents or records
- Destroying or removing documents or records
- Knowingly creating or distributing false financial information or reports
- Engaging in bribery or corruption
- Deliberately ignoring or acquiescing in fraudulent activity

Fraud may also involve manipulation of information system applications and data for personal advantage.

WHAT IS BRIBERY & CORRUPTION?

Bribery and corruption have a range of definitions in law. The following is a plain language guide:

Bribery: The offering, promising, giving, accepting or soliciting of money, gifts or other advantages in exchange for doing something illegal or breaching an employer's trust.

Corruption: The abuse of entrusted power or influence for private gain.

The following are some examples of attempted bribery:

- A potential supplier offers money or a gift to influence a procurement/tender process.
- A job applicant offers payment or a gift to increase his/her chances of being hired.
- A gift (e.g. excessive hospitality) offered to a local official in return for approving a proposal.
- A potential or actual beneficiary offers a payment in return for allowing him/her or their family to be given aid to which they are not entitled.
- A government official asks for a payment to secure an NGO registration.
- A customs official asks for an unofficial payment or gift to release goods.

What is a Facilitation Payment?

The final two bullets above could be examples of facilitation payments, which are usually a bribe in the form of a small, unofficial payment. It is made to secure or expedite the performance of a routine or necessary action to which the person making the payment has legal or other entitlement, e.g. an unofficial payment made to a border guard/officer in return for a speedier crossing.

Kickbacks?

Kickbacks are typically payments made in return for funding opportunities, partnerships, business favours or advantage of a similar kind.

Payments under Duress?

Payments made under duress are in response to demands accompanied by threats to life, limb or liberty.

What are ‘Gifts and Hospitality?’

These can range from small gifts or promotional materials (such as diaries and pens) to expensive hospitality (such as a holiday). Extravagant gifts and hospitality may be thinly-veiled bribes intended to induce improper behaviour.

POLICY STATEMENT

Fraud, bribery or corruption in any form will not be tolerated by amuno. Where criminality occurs the loss is not just to amuno but, much more importantly, to amuno’s beneficiaries who are from communities’ vulnerable to social challenges and in hard to reach communities across Uganda. It may also have a major impact on amuno’s reputation and, as a consequence, donor confidence in amuno. This, again, ultimately impacts upon our beneficiaries. Amuno will conduct, manage, and monitor all aspects of our work in a way that reduces and hopefully eliminates opportunities for fraudulent or corrupt activity, including the giving or accepting of bribes.

FACILITATION PAYMENTS AND ‘KICKBACKS’

All amuno employees and amuno’s Board members must avoid any activity that might lead to a facilitation payment being made or accepted by or on behalf of amuno. Amuno prohibits the making or accepting of facilitation payments and ‘kickbacks. If someone suspects a payment request to be solely for the purposes of facilitation, they should ask that a detailed receipt be provided. If there appears to be no legitimate reason for a request for payment, it should be explained that amuno does not make or accept facilitation payments. If amuno’s employee feels it is safe and appropriate to do so, they should ask to

speak to the supervisor of the person requesting the payment. If a receipt can be provided and the amuno employee does not suspect the payment is for the purposes of facilitation, a payment will be allowable.

PAYMENTS UNDER DURESS

It is permissible for a payment to be made in the rare and exceptional circumstances where it is believed necessary to protect against loss of life, limb or liberty (except in the case of lawful detention). If possible, the circumstances and proposed payment should be discussed in advance with a line manager. In all such cases an incident report must be submitted.

GIFTS AND HOSPITALITY

The giving or receiving of gifts (other than those deemed to be small promotional items) by or on behalf of amuno is not permitted under any circumstances. amuno staff and Board members must exercise great caution when offering or accepting hospitality and entertainment.

They must be certain that what is being offered is not designed to gain improper benefit or does not otherwise amount to bribery or corruption.

The providing or accepting of hospitality or entertainment is allowed, as long as:

- The offered gift(s) does not exceed USD 200
- It is done openly with clear intentions known to others, meant not to influence behavioral of recipient;
- It complies with local law.

If a member of amuno staff or Board wishes to offer entertainment or hospitality, it must be authorized by a senior manager in advance.

RESPONSIBILITIES

Amuno's Board members, Senior Management, and employees at every level are responsible for protecting amuno's staff and the communities we serve from the impact of fraud, bribery and corruption by always acting in accordance with this policy.

AMUNO'S ADVISORY BOARD

Amuno's Board is responsible for ensuring that the organisation has a properly functional internal control and risk management system and expects that all instances of fraud/corruption are brought to its attention by management.

SENIOR STAFF AND MANAGERS

It is incumbent upon amuno's managers and senior staff to set an example by complying fully with amuno's policies, procedures and controls. Managers and senior staff are responsible for ensuring that employees under their charge are trained upon and fully understand the amuno's Anti-Fraud and Anti-Corruption Policy, and the consequences of non-compliance.

Senior staff and managers must be familiar with and alert to the types of fraud that might occur in their area(s) of responsibility. In particular, they must:

- Ensure that this policy and all amuno's systems, financial controls and procedures are fully understood by staff;

- Frequently check that these are being fully observed and implemented;
- Regularly review and, where necessary, update control and procedures.

All Employees and staff

It is the responsibility of every amuno employee and staff to act at all times with the highest degree of honesty, integrity, accountability, and propriety as they carry out their work and conduct themselves at all times in such a way as to prevent fraud, bribery and corruption. All amuno employees and Board members must be alert to and report any actual or suspected instances of fraud, bribery and/or corruption.

All employees and Staff should conduct their duties in a manner the does not jeopardize, to the contrary, safeguards amuno’s resources and assets. Staff shall comply with Amuno’s Code of Conduct and Ethics at all times. If fraud, corruption, violation, unethical conduct or dishonest practice is suspected and/or verified, then it should be reported to the Audit committee.

INTERNAL AUDITOR

“The Internal Auditor should have sufficient knowledge to identify the indicators of fraud and corruption but is not expected to have the capacity of a person whose primary responsibility is detecting and mitigating fraud and corruption.”

The Internal Auditor is responsible to evaluate the adequacy of the internal control system, prioritize auditing activities in accordance with a documented risk assessment plan, and provide recommendations, through consulting and assurance activities.

RESPONSIBILITY OF THE ORGANISATION

Periodic Risk Assessments: The Amuno Audit and Risk assessments shall be handled by amuno’s advisory board regularly (at minimum, once a year) assess risks, including those covered by this policy; assess, update and record existing and potential risks to the organisation’s human and material assets. The audit committee will be instituted by Amuno’s Audit Committee and will be tasked to report to the board outcomes of any soot of Anti-fraud and anti-corruption process it will be under taking or planning to undertake.

FRAUD AND CORRUPTION RESPONSE PLAN

The fraud and corruption response plan is in place to guide and be followed in the event of fraud or corruption being discovered or suspected with in Amuno. Its purpose is to ensure that proper action is taken in case of such events occurring.

Any allegations of fraud, corruption, theft or other irregularity should be reported to the Audit Committee. The audit committee shall determine whether the matter should be handled at senior management level or by the Advisory board depending on the magnitude of the case and who the culprit is.

All allegations are reported anonymously, and are treated as confidential and are directed to the Audit Committee, which will undertake any further investigation.

The Audit Committee is responsible to retain any relevant records, examine the allegations, and plan the investigation and deterrence of fraud and corruption. Deterrence of fraud and corruption lies with

management. The Audit Committee will appoint a suitable person, internal or external, to investigate and ensure that the investigation is conducted in a professional manner. The Audit Committee and the management are responsible to secure the anonymity and prevent the harassment or discrimination of the people that make such allegations.

The results of the investigation should be reported directly to the Audit Committee, which will determine to whom should be communicated, including the Internal Auditor, the Executive Director, and the board member. Upon conclusion of the investigation, an action plan should be agreed, enforced, documented, and distributed appropriately. All records and reports of the investigation process should be under the custody of the Audit Committee, retained in a safe place with restricted access in the Company headquarters.

The Internal Auditor should be periodically informed of the progress and the final conclusions of any such investigation.

In case of the uniqueness of the matter which may arise for example in instances where the Executive Director has been alleged to be engaging in or engaged in fraud or corruption, the Advisory board may step in to initiate investigation through working hand in hand with the Audit Committee until a solution is reached. During such times, the Executive Director may be requested to step aside until all investigations are cleared.

CONFIDENTIALITY

The Audit Committee must treat all information received as confidential at all times. Any employee who suspects dishonest or fraudulent activity will notify the Internal Auditor immediately, and *should not attempt to personally conduct investigations or interviews/interrogations* related to any suspected fraudulent act (see REPORTING AND INVESTIGATION PROCEDURE section below).

Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect amuno from potential civil liability.

REPORTING AND INVESTIGATION

If someone connected to amuno is offered or asked to pay a bribe, they must refuse and explain that bribery runs totally counter to amuno policies. If someone suspects that fraud, bribery or corruption is, has, or is likely to take place, they must at the earliest opportunity report the matter via the line manager and/or to amuno's Executive Director. The interests and well-being of those making a report will be fully protected by amuno's Human resource manual and procedures.

Failure on the part of amuno employee or Board member to report suspicions may lead to disciplinary procedures being instigated, up to and including dismissal and/or legal proceedings. If an employee knowingly lodges a false report, this will be regarded as a serious disciplinary offence and dealt with in accordance with amuno's disciplinary procedures.

Investigating reports of fraud will be as per Amuno's Conflict of Interest Policy and Amuno's Human resource and Procedures Manuel.

TRAINING AND COMMUNICATION

As part of the induction given to new staff and Board members to amuno, we will regularly and effectively communicate and provide training on our Anti-Fraud and Anti-Corruption Policy. Ongoing refresher courses and training on anti-fraud and corruption will also be conducted alongside other institutional policies and procedures. Key clauses and sections in this policy will be extracted and oftenly disseminated to all amuno staff through various means to encourage good practice.

DISCIPLINARY /LEGAL SANCTIONS

Violations of this policy will be dealt with in accordance with amuno's Disciplinary Procedure and may result in sanctions, up to and including termination of employment. Proven fraud or corruption or suspected fraud which comes to light, whether perpetrated by a member of amuno staff or by persons external to the organization, should be referred to the appropriate authorities, internally or externally, at the earliest possible opportunity.

ASSOCIATED POLICIES AND PROCEDURES

Amuno's Anti-Fraud and Anti-Corruption Policy is linked to and must be read in conjunction with:

- Amuno Conflict of Interest Policy
- Amuno Human resource and Procedures Manuel

Amuno Rural Hub (amuno) reserves the right to report any suspected criminal activity to the relevant legal authorities.