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**Integrated Service on Health and Development Organization**

**ISHDO**

**ANTI-FRAUD POLICY**

**June 2020**

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# Background

Integrated service on Health and Development Organization (SHDO), the former integrated service for ADIS Prevention and Support Organization (ISAPSO) was established in October 1997 and registered in 2009 by Ethiopian charities and Societies Agency as Ethiopian Residence Charity with registration number 0088 as per the new CSO legislation 621/2009. Following the proclamation 1113/2019 it is now legally registered as Local Organization.

Though the former name of the organization implied mainly working on HIV/AIDS, it has also been involved in different health, education and community development areas since its inception. Hence, the name was changed to Integrated Service on Health and Development Organization (ISHDO) to reflect its area of interventions. Accordingly, in its fourth five-year strategic plan, the organization revised its vision, mission and goal in light of linking health, education and development services to meet needs of the addressed communities. Currently the organization has governing body of general assembly, with seven elected board members from the general assembly. The organization currently has121(63 female, 58 male) committed staff with diversified qualifications and experiences.

## Vision:

The Organization aspires to see healthy, productive and self- reliant society.

## Mission:

Promoting and providing integrated health, education and development service to improve the livelihood of the needy community through capacity development and active community participation.

## Goal:

To contribute to the national efforts being made in health, education and socio-economic development and empowering the community on poverty reduction.

## Strategic objectives

* + - * Create awareness of the community to develop behavioral change and ensure full participation and involvement in health service promotion and development activates.
      * Support efforts being made in HIV prevention, care and treatment, RH/FP&ARH, Maternal and neonatal health, Sanitation, hygiene, nutrition and micronutrient support to under five children.
      * Support children, youth, people with disabilities and other needy communities in

capacity building and empowerment through provision of support for education.

* Carry out various interventions on capacity building for low income women and older OVCs in development imitative for Livelihood improvement.
* Work in partnership with government stakeholders, the private sector, CSOs, CBOs, FBOs, the community at large in all matters related to children, women and other Vulnerable group in poverty reduction and ownership feeling development.

## Core values and Principles

* Non-Discriminatory
* Non-political.
* Transparency and accountability
* Participatory approach
* Encouraging volunteerism.

# ANTI-FRAUD POLICY

## 1. Purpose

The purpose of this policy is to establish controls to ensure compliance with all applicable anti- fraud regulations and to ensure that the organizations activities are performed with the highest ethical standards in a socially responsible manner.

## 2. Definitions

The definition given to the following terminologies are to be interpreted within the context of this policy.

**Allegation:** a statement or accusation by a person that an act of fraud has or may have been committed. This does not require evidence of the offence or identification of suspects, but there is usually some stated basis for the accusation.

**Fraud**: is an intentionally deceptive action designed by an individual to provide the performer or a third party or parties with an unlawful gain or to deny a right to a victim. It is the offering, promising, giving, accepting or soliciting of an advantage through deceiving. It can also be taken as an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

The term fraud is also used to describe offences such as, but not limited to, deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, and collusion.

**Third Party**: any organization or individual who comes into contact during the course of work for ISHDO, and includes (but not limited to) actual and potential clients, sub-contractors, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties, brokers and lawyers.

## 3. Policy statement

It is ISHDO’s policy to conduct all of the organization’s activities in an honest and ethical manner. ISHDO takes a zero- tolerance approach to fraud, bribery and corruption; and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and implementing and enforcing effective systems to counter bribery.

ISHDO will uphold the country’s laws relevant to countering fraud in all the jurisdictions in which it operates. In other words, we remain bound by the laws in Ethiopia in respect of our conduct both at home and abroad.

If ISHDO is found to have taken part in any form of fraud, it could face unlimited problems, be excluded from tendering for public contracts and face damage to its legal status. ISHDO therefore takes its legal responsibilities very seriously.

## 4. Scope

This policy applies to all individuals working at all levels and grades, including senior managers, directors, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, volunteers, sponsors, or any other person associated with ISHDO, or any of its subsidiaries or their employees, wherever located (collectively referred to as **employees** in this policy). This policy covers all forms of fraud particularly focusing on

* **Financial statement fraud** which is like overstating revenue, earnings and assets – along with understating liabilities
* Obtaining property, financial advantage or any other benefit by deception or abuse of authority granted by virtue of official position or duty.
* **Asset misappropriation** which is like Misuse of company’s assets etc.
* Charging ISHDO for goods and services that have not been delivered.

Knowingly providing false, misleading or incomplete information to ISHDO, its donors, partners, or other business relations, or deliberately failing to provide information where there is an obligation to do so.

In addition:

* Bribes;
* Gifts and hospitality;
* Facilitation payments;
* Political contributions;
* Charitable contributions.

### 4.1 Bribes

Employees must not engage in any form of bribery, either directly or through any third party. Specifically, employees must not bribe a foreign public official anywhere in the world.

### 4.2 Gifts and hospitality

Employees must not offer or give any gift or hospitality:

• which could be regarded as illegal or improper, or which violates the recipient’s policies; or

• to any public employee or government officials or representatives, or politicians or political parties; or employees may not accept any gift or hospitality from our clients or partners if there is any suggestion that a return favor will be expected or implied.

If it is not appropriate to decline the offer of a gift, the gift may be accepted; it is then declared to the employee’s manager and donated to charity.

We appreciate that the practice of giving gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

Within these parameters, the management may define specific guidelines and policies to reflect local professional standards. Where this policy requires written approval to be given, the organization shall put in place a process to maintain a register of all such approvals.

### 4.3 Facilitation payments and kickbacks

Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, and not to retain activities. Facilitation payments tend to be demanded by low level officials to obtain a level of service which one would normally be entitled to.

ISHDO’s strict policy is that facilitation payments must not be paid. ISHDO recognize, however, that employees may be faced with situations where there is a risk to smooth running of the activities where a facilitation payment is unavoidable, in which case the following steps must be taken:

• Keep any amount to the minimum;

• Create a record concerning the payment; and

• Report it to your line manager.

In order to achieve our aim of not making any facilitation payments, an employee on the spot of the organization will keep a record of all payments made, which must be reported to the management committee, in order to evaluate the risk and to develop a strategy and minimize such payments in the future.

### 4.4 Political contributions

ISHDO as a charity organization is not liable to make donations, whether in cash or in kind, in support of any political parties or candidates, as per the Charities and Societies Proclamation of the country.

### 4.5 Charitable contributions

Charitable support and donations are acceptable (and indeed are encouraged), whether of in- kind services, knowledge, time, or direct financial contributions. However, employees must be careful to ensure that charitable contributions are not used as a scheme to hide bribery. We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the compliance manager.

All charitable contributions should be publicly disclosed.

## 5. Employees’ responsibilities

The prevention, detection and reporting of bribery and other forms of fraud are the responsibility of all those working for ISHDO including employees of any partner organization working under binding agreement with ISHDO

* All employees are required to avoid any activity that might lead to, or suggest, violation of this policy.
* All employees should conduct lawfully and properly in the use of the ISHDO’s resources.
* All employees should remain alert to the possibility of fraud and report suspicious behavior to their line manager or the Chief of Party of a Project or the Executive Director. If staff prefer to report anonymously, they can do so through the confidential Anti-Fraud email account that can be considered as HOTLINE (fraud@ishdoeth.org) to which only the Executive Director has access, or by letter to the Executive Director. If the report will put the Executive Director accountable or questionable, the report can be submitted to the Board Chair Person by a sealed letter. Staff should use the attached reporting form (Annex I) to make their fraud report.
* All employees must read, understand, sign and accept the Anti-Fraud Policy as an integral part of their employment contract with ISHDO.
* All employees must attend in-house training courses on Fraud Prevention.

Any employee who violates this policy will face disciplinary action, which could result in dismissal for gross misconduct. ISHDO also reserve the right to terminate any contractual relationship with other workers who violate this policy.

## 6. Record keeping

We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

It has to be declared and kept a written record of all hospitality or gifts accepted or offered, which will be the subject to managerial review.

It must be ensured that all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with ISHDO’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 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.

## 7. How to raise a concern

It has to be encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If informed of fraud, managers should listen carefully and with respect to staff, and ensure that every allegation is treated seriously and given a fair hearing. Managers should obtain as much documentation and information as possible regarding the alleged fraud, including any notes or evidence, and they should reassure staff members that they will be protected and will not suffer any reprisal for having reported allegations made in good faith. Managers will be required to prepare a written report of the details of any suspected fraud that has been reported to them for enquiry and provide it to the Executive Director or alternatively to a Chief of Party of a Project. All cases should be reported within 10 (ten) working days of discovery or notification from another member of staff, to the Executive Director or, alternatively, the Program Manager or Chief of Party of a project that is subject to the fraud. All subsequent correspondence should be forwarded to the Executive Director and a Chief of Party accordingly.

If one is unsure whether a particular act constitutes bribery or corruption, or if one has any other queries or concerns, these should be communicated to the Executive Director.

All information provided to the Executive Director or a Chief of Party will be treated confidentially. All reasonable allegations will be treated seriously and systematically and will be properly investigated. Allegations, whether made anonymously or not, must be supported by documentary evidence or statements by witnesses for the investigation to proceed. Without such evidence the investigation cannot take place.

If an allegation is determined to have been made frivolously, in bad faith, maliciously, for personal gain or for revenge, disciplinary action will be taken against the person making such an allegation.

## 8. What to do if one is a victim of bribery or corruption

If one is asked to take a bribe by a third party or suspect that this may happen in the future, it is important to inform the case to the Executive Director, Chief of Party or the confidential email address dedicated for fraud reporting as soon as possible.

## 9. Protection

Employees who refuse to accept or offer a bribe or those who raise concerns or report another's wrongdoing are sometimes worried about possible repercussions. ISHDO is however, devoted to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. ISHDO is committed to ensuring no one suffers any bad treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Bad treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern. If such a treatment occurs, it should be reported to the concerned official. If the matter is not resolved, you should raise it formally using the Organization’s Grievance Procedure.

## 10. Managing External Relations

In the case of confirmed fraud, ISHDO will take immediate steps to mitigate potential loss of ISHDO’s reputation and credibility with donors and partners who are involved in funding or delivering work in the particular context in question. Where an investigation confirms that an act of fraud was committed, the Director General, will disclose the details of the fraud, the assets/resources affected, and the efforts being made to remedy the situation to any partner or donor with an interest in the affected area as quickly as possible.

In high profile cases of fraud, the Executive Director will manage and monitor the media in consultation with the Legal Adviser. If the case of fraud is not very serious the communication officer/coordinator will manage and monitor any media response, only when it is approved by the Executive Director,. The Communication Officer will retain a complete record of any information released, including the content and the recipient.

## 11. Recovering Assets

Where ISHDO has suffered financial loss or other material assets, efforts will be made to seek reimbursement from the individual(s) responsible for the fraud through one or more of the following methods:

* Making arrangements for voluntary payment,
* Making deductions from benefit payments or a pension scheme if permitted by law,
* Considering an insurance claim, and subrogation if the claim is settled,
* Taking civil action to obtain a judgment for the loss,
* Obtaining compensation orders in criminal cases,
* Considering any other appropriate means of recovery

## 12. Training and communication

Training on this policy forms should be part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to this policy. In addition, all employees will be asked to formally accept and confirm to this policy on an annual basis. Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

## 13. Who is responsible for the policy?

The board has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

It is the day-to-day responsibility of all employees under the organization 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.

## 14. Monitoring and review

The management team, signatories, different organized committees under projects, M&E senior officer will monitor the effectiveness and review of the implementation of this policy, regularly considering its suitability, adequacy and effectiveness and any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the management.

This policy does not form part of any employee's contract of employment and it may be amended at any time.

Signed on the ­­­­­10th of June 2020 for and on behalf of Integrated Service on Health and Development Organization.

# Annex I ISHDO Hotline Standard Complaint Form

**Confidentiality Preference**

I am providing ISHDO my name and I agree that **ISHDO can disclose** my name and other information I provide, if necessary, in order to ensure my issues are addressed.

The purpose of the ISHDO hotline is to receive complaints of fraud, waste, or abuse in the organization, programs and operations, including mismanagement or violations of law, rules, or regulations by employees or program participants. Complaints may be received directly from employees, program participants, or the general public.

ISHDO Anti-Fraud Policy and other related organizational rules and regulations provide legal articles for the protection of persons making hotline complaints email of ISHDO, [fraud@ishdoeth.org](mailto:fraud@ishdoeth.org), especially dedicated for this purpose.

You may complete the complaint form below and send it by mail to the following address and submit it to the executive director in person:

**Aklilu Nega**

**Integrated Service for Health and Development Organization (ISHDO)**

**Telephone No.** +251 911 15 82 27

**e-mail** [**anega@ishdoeth.org**](mailto:anega@ishdoeth.org)

**Addis Ababa, Ethiopia**

Name

Address 

City/ Subcity/ Woreda

Telephone/Fax Number

Email (if not known, write N/A)

What would you like to report?

Contract, Grant, or Procurement Fraud

Bribery/Conflict of Interest

Employee Misconduct

False Claims

False Statements

Mismanagement

Computer Crime

Travel/Time and Attendance Fraud

Theft/Embezzlement

Other - Please explain

If you selected other, please explain

1. What is the problem you want to report? Describe the problem as specifically as possible.

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1. When and how did you become aware of the problem?

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1. How long has the problem existed?

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1. When was the most recent occurrence of this problem?

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1. Can you identify any documents, persons, or activities that we can use to verify the problem?
2. If known, please provide award/contract information.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Please provide implementer name, if applicable.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Please provide loss amount to USAID and provide documentation showing the amount has been credited to USAID (if applicable) .

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Is there any additional information that might be useful to us in evaluating this complaint?

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**CERTEFICATION**

# Annex 2: Declaration of Non Engagement in Froud and Mandatory Disclosure of its Violation

It is a responsibility of ISHDO to ensure the highest ethical standards regarding Fraud Prevention as per donor Requirements including USAID.

Upon hiring and as a condition of recruitment, purchase of goods and services, & other services, each employee of ISHDO shall certify that all employees and relevant stakeholders are fully understood and ready to comply with Fraud policy.

Employees are required to complete a fraud policy disclosure form within thirty days of hire for new employees and require documenting to their respective personnel file.

By signing this disclosure form, I have received, read, and understand the attached policy and hereby give my acceptance of the policy guidelines and restrictions to fight fraud.

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Position** | **Date** | **Signature** |
|  |  |  |  |