

Fraud & Corruption Policy

The mSupply Foundation

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Purpose

The objective of this policy is to take all reasonable measures to protect against, detect and respond to fraud and corruption in order to protect the interests of clients, staff, donor partners and other stakeholders.

Related Policy

This policy is intended to be read in conjunction with all other TMF policies and guidelines and those policies and guidelines of our contract partners and recipient partners.

Scope

The mSupply Foundation (TMF) policy regarding fraud risk applies to all TMF employees, sub- contractors/consultants, grantees and volunteers, as well as partners, and associates of sub- contractors/consultants, grantees and volunteers.

Policy Statement

TMF has a zero-tolerance policy regarding any employees, sub-contractors/consultants, grantees and volunteers, as well as partners, and associates of sub-contractors/consultants, grantees and volunteers that engage in or support fraud. TMF staff are required to be watchful for fraud, corruption or any suspicious behaviour, and report it to the appropriate officer. All reported incidents will be appropriately investigated, disclosed to relevant management, governance body and the donor, remediated, and closed out.

Definitions

Fraud is defined as “Dishonestly obtaining a benefit, or causing a loss, by deception or other means”. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position.

In this definition “benefit” refers to both tangible items, such as money or objects, and intangible benefits including power, status or information.

Further definitions and examples of Fraud are provided in Appendix 1.

Policy Details

TMF is committed to minimising the incidence of fraud and corruption through the identification of fraud risks and the development, implementation and regular review of a range of fraud prevention and detection strategies, and fraud control processes.

TMF will seek prosecution of those who commit fraud against it, whether they are within or external to TMF, and will cooperate with fraud and corruption investigations by law enforcement and other investigative authorities.

TMF will seek to reclaim any money or other resources misappropriated through fraudulent or corrupt activity and will take appropriate disciplinary action against staff members found to have engaged in such activity.

The TMF Executive will foster an environment that makes active fraud and corruption control the responsibility of all staff.

TMF encourages the reporting of suspected fraud and corruption and will take active steps to support and protect anyone who makes a disclosure, provided the disclosure is made in good faith.

Information relating to suspected fraud or corruption will be collected and handled appropriately having regard to the principles of confidentiality and natural justice and the requirements for reporting to law enforcement authorities.

Staff's Responsibility for Prevention of Fraud and Corruption

All TMF staff share responsibility for the prevention and detection of fraud and for the adherence to the policies. It is the responsibility of all staff to ensure that mechanisms are in place in their area of responsibility to:

- Promote employee awareness of ethical principles subscribed to by TMF;
- Display a positive, appropriate attitude towards compliance with laws, rules and regulations;
- Are aware of common indicators/symptoms of fraudulent or other wrongful acts and respond to those indicators as appropriate;
- Establish and maintain proper internal controls to provide for the security and accountability over TMF resources and prevent/reduce the opportunity for fraud, including but not limited to:
 - Accurate records of all financial accounts;
 - Segregation of duties;

- TMF recruitment procedures;
- Internal checking;
- Security (including physical and computer security);
- Documentation of procedures;
- Budget control;
- Regular review of management reports;
- Regular reconciliations;
- Consideration of risk;
- Facilitate the reporting of suspected fraud; and
- Respond to all allegations or indications of fraudulent, corrupt or improper conduct.

TMF will at minimum adhere to the Department of Foreign Affairs & Trade (DFAT) recommendations for detection and preventing fraud outlined in Appendix 2

Responsibility for fraud and corruption prevention

A template reporting form will be made available through Finance Manager or Project Manager. Reports or concerns relating to child protection must be made to one of the following people:

- the relevant Project Manager or Country Team Lead
- the Finance Manager (Auckland Office): Sian Knauf (sian@msupply.foundation)
- a Board member of the Foundation
- the Child Protection Officer: Dhanya Herath (dhanya@msupply.foundation)

All reported concerns will be investigated and assessed in a confidential, procedurally fair and timely manner. All reported concerns reported to the relevant individual will be reported to the Finance Manager to be recorded in the Child Protection Register. The Child Protection Register does not identify individuals; identifying details will only be used in confidential files.

Staff or representatives who have child harm or abuse allegations raised against them will be suspended from their work with the Foundation whilst an investigation is completed. Depending on the nature of the allegations it may be appropriate to engage an external organisation with particular expertise to conduct the investigation.

If a staff member or representative raise a legitimate concern about suspected child harm and/or abuse which proves to be unfounded on investigation, no action will be taken

against the person who raised the concern. However, any staff member who knowingly makes false and/or malicious accusations against another person may face disciplinary action.

The Finance Manager will inform a Director of the Foundation about any child protection reports or concerns. Any investigation will be undertaken in consultation with a Director of the Foundation. Reports or concerns relating to staff or representatives working on an externally funded activity will also be reported to the relevant funding agency.

Where a concern is raised in relation to a Director of the Foundation, Finance Manager, or the Child Protection Officer, the incident will be reported through a non-involved person from the above list and they may use their discretion to engage an external advisor to mediate from an appropriate external agency, such as Australian Government, Department of Foreign Affairs and Trade or New Zealand Government, Ministry of Foreign Affairs and Trade.

Provision of information to external agencies

Procedures for the collection and recording of fraud information are in place to ensure that external agencies, such as the DFAT, are informed in accordance with contractual and legislative requirements.

Information will be collected, classified and handled appropriately, having regard to privacy, confidentiality, legal professional privilege and the requirements of natural justice and procedural fairness.

Approval Agency

The mSupply Foundation Board

Contact Person

The following person may be approached on a routine basis in relation to this policy:
Sian Knauf: Finance Manager

sian@msupply.foundation

Appendix 1

Definitions and examples of fraudulent or corrupt practices

All staff are prohibited from involvement with any of these practices:

Bonus/Gifts:

Accepting inappropriate gifts or money from agents, suppliers, partners, individuals or service providers as a result of help with any decision, contract, promise, request or any other relationship connected with Program/Project activities. All inappropriate bonuses or gifts received must be immediately returned to the giver or should become the joint property of the Program/Project office.

Bribery:

Bribery is the promise or delivery of a benefit in order to influence the receiver's behaviour. Usually the behaviour expected of the person receiving the bribe is illegal or unethical in nature and would not be something they would usually do.

Collusion:

Collusion is an illegal agreement or cooperation between two or more people, for a fraudulent or deceitful purpose.

Commission:

Taking of commissions from agents, suppliers, partners, individuals or service providers whilst undertaking work for the Program/Project.

Conflict of Interest:

A conflict of interest arises when an employee or an organisation has multiple interests (financial, personal or otherwise) which affect, could affect, or have the appearance of affecting, their duties and responsibilities. A conflict of interest creates the appearance that an individual's or an organisation's judgement, objectivity or independence is likely to be compromised, biased. Conflicts of interest can be real, perceived or potential.

Corruption:

Dishonest activity in which a director, executive, manager, employee or contractor acts contrary to the interests of TMF and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity

Discounts:

Accepting/negotiating discounts on the price of any goods bought on behalf of the Program/Project and then pocketing the difference. Discounts may only be accepted if the discount is passed on to the Program/Project. The discount must be accompanied by written proof by way of quotations and receipts.

Facilitation Payments:

Facilitation payments are amounts paid or gifts given to try to expedite standard government procedures outside of the official payment system.

Misuse of Assets:

Using organisation assets outside their intended business use or for personal purposes.

Stealing:

Taking office items for personal gain or using Program/Project funds for self-interest or personal use.

