



**Girl Child for Sustainable Future Foundation**

## **ANT-FROUD POLICY**

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## I. BACKGROUND

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This document sets forth an anti fraud policy to enforce controls and to aid in prevention and detection of fraud in the Foundation. The intent of the policy is to promote consistent legal and ethical organizational behavior by assigning responsibility for the development of controls, and providing guidelines for reporting and conduct of investigations of suspected fraudulent behavior.

## II. SCOPE OF POLICY

This policy applies to any fraud or suspected fraud in the Foundation's Operations (also called the Organization), involving employees (including contractual employees, Volunteers) as well as Members, consultants, vendors, suppliers, service providers, contractors, lenders, borrowers, outside Foundation and / or any other parties with a business relationship with the Foundation

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/ title, or relationship with the Foundation.

## III. OBJECTIVES OF POLICY

The policy has been framed to enforce controls so as to provide a system of detection and prevention of fraud, reporting of any fraud or suspected fraud and appropriate dealing of issues relating to fraud. The policy aims to ensure that:-

- (i) Management is aware of it's responsibility for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. The Management is to ensure that procedures and systems exist in the Foundation which minimize the incidence of, and opportunity for fraud and irregularities.
- (ii) Any fraud that is detected or suspected must be **reported immediately** to the Nodal Officer designated for the purpose of co-ordination of preliminary investigation.
- (iii) To conduct investigations into fraudulent activities.

## IV. DEFINITION OF FRAUD

Fraud is a false representation or concealment of a material fact or any other illegal act committed intentionally to cause wrongful gains to self or others and /or wrongful loss to others

## V. ACTIONS CONSTITUTING FRAUD

The terms fraud or suspected fraud refers to but not limited to:-

- (i) Forgery or alteration of any document or account belonging to the Foundation.
- (ii) Forgery or alteration of a cheque, bank draft, or any other financial instrument, financial document and personal claims, etc.
- (iii) Misappropriation of funds, securities, supplies, or other assets, etc.
- (iv) Willful suppression of facts/ deception in matters of appointments, placements, tender committee recommendations, entity and project appraisal, submission of reports, etc. as a result of which a wrongful gain(s) is made to one and /or wrongful loss(s) is caused to the others.
- (v) Utilizing Foundation's funds for personal purposes or relatives gain
- (vi) Authorizing or receiving payments for goods not supplied or services not rendered.
- (vii) Destruction, disposition, removal of records or any other assets of the Foundation with an ulterior motive to manipulate and misrepresent the facts so as to create suspicion/ suppression/ cheating as a result of which objective assessment/ decision would not be arrived at.
- (viii) Impropriety In the handling or reporting of money or financial transactions.
- (ix) Profiteering as a result of insider knowledge of Foundation activities.
- (x) Disclosing confidential and proprietary information to outside parties.
- (xi) Accepting or seeking anything of material value, or sexual acts from contractors, vendors, lenders, borrowers and persons providing services/ materials to the Foundation in contravention of Integrity policy and Code of Conduct, Discipline and Appeal Rules.
- (xii) Any similar or related inappropriate conduct.

## VI. OTHER INAPPROPRIATE CONDUCT

Suspected improprieties concerning an employee's, Member's, volunteer's moral, ethical, or behavioral conduct, should be resolved by Human Resources department, Chief Operation Officer Unit rather than Nodal Officer. If there is any question as to whether an action constitutes fraud or not, the Nodal Officer

may be contacted for guidance.

#### VII. REPORTING PROCEDURE:

An Member, Volunteer, vendor, contractor, borrower, lender or other person having business relationship with the Foundation, on discovery of fraud or suspected fraud must report it to the designated Nodal Officer. The matter may be reported in writing. If a member, or volunteer or other person is not willing to report it in writing, he or she may get his/her statement recorded before the Nodal Officer. The Nodal Officer shall maintain the details of identity of the official/employee/Volunteer/other person reporting such fraud. The Nodal Officer shall maintain the confidentiality about the identity of the reporting individual and under no circumstances would discuss it with any unauthorized person.

The Foundation will not tolerate any form of retaliation against individuals providing information concerning fraud or suspected fraud.

The Foundation shall provide protection to the complainant/individual providing information concerning fraud or suspected fraud against victimization using whistleblower policy.

The Nodal Officer will act expeditiously upon such reporting and ensure that all relevant records and documents and other evidences are taken into custody or protected from being tampered with, destroyed or removed by the suspected persons/ officials. On receipt of the report, the reporting individual would be informed of the following by the Nodal Officer:-

- (i) Do not contact the suspected individual in an effort to determine facts or demand restitution.
- (ii) Observe strict confidentiality. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Nodal Officer.

#### VIII. (A) INVESTIGATION OF FRAUD/SUSPECTED FRAUD:

It will be the primary responsibility of Nodal Officer to conduct the preliminary investigation. The Member(s), or volunteer(s) who reports the suspected fraud should not attempt to conduct investigation personally. He or she should not interview or interrogate any person related to the suspected fraud.

The Nodal Officer or any other member, employee or volunteer involved in the investigations of suspected fraud shall keep the content of investigative activity strictly confidential. Investigation results shall not be disclosed to or discussed with anyone other than those who have a legitimate need to know

this.

The Nodal Officer shall make every effort to protect the rights and the reputations of everyone involved in a report of suspected fraud, including the individual who in good faith alleges perceived misconduct, as well as the alleged violator(s).

If Nodal Officer determines that a report is not credible or is not a report of fraud, he/she shall document this determination. The Nodal Officer's documentation shall include support for the determination.

If the preliminary investigation substantiates the fraudulent activities, the Nodal Officer will prepare an incident report and send it to the Director or Manager of the concerned unit for approval for sending it to Vigilance Unit for further investigation.

After completion of the investigation by the Vigilance Department, due & appropriate action which could include administrative action, disciplinary action, reporting to the Board/ Audit Committee, civil or criminal action or closure of the matter if it is proved that fraud is not committed etc. depending upon the outcome of the investigation shall be undertaken with the approval of the competent authority. Vigilance Department shall apprise "Nodal Officer" of the results of the investigation undertaken by them. There shall be constant coordination maintained between the two.

#### (B) TIME LIMITS FOR THE PRELIMINARY AND FINAL INVESTIGATION

The following are the time limits for completing the preliminary and final investigation of report of fraud/ suspected fraud:-

##### (i) Preliminary Investigation

The Nodal Officer will complete the Preliminary investigation and submit the investigation report not later than 30 days from the date of report of fraud/ suspected fraud. In case Nodal Officer is not able to complete and submit the investigation report in 30 days, he has to record the reasons for delay and may seek an extension for 10 days from (D&B). However, under the exceptional circumstances the extension beyond forty days for a period as permitted by Board.

##### (ii) Approval of Functional Director

The Functional Director will accord the approval for final investigation by Vigilance Unit normally in 10 days from the date of receipt of preliminary investigation report.

##### (iii) Final Investigation

The Vigilance Unit will complete the final investigation and submit investigation report within two months from the date of submission of Preliminary Report to the Vigilance Unit or such extended period as Board may permit.

#### IX. DISCIPLINARY ACTION:

**Failure** to comply with this policy would attract the *disciplinary action* in the following cases:-

(i) An Member, Volunteer, employee who is engaged in any form of fraud is subject to disciplinary action.

(ii) An Member, Volunteer, employee who suspects or discovers fraudulent activity and fails to report the same as required by this policy or an employee who intentionally reports false or misleading information is subject to disciplinary action.

(iii) An Member, Volunteer, employee of the department in which fraud is committed does not pass to the Nodal Officer/ Vigilance Unit each and every report of suspected fraud made by an employee or other person is subject to disciplinary action.

#### X. FRAUD PREVENTION

(i) The Management shall ensure detection and prevention of fraud by establishing procedures, checks and controls to prevent fraud and detect fraud as and when it occurs.

(ii) In addition to the above, the Management will be responsible to –

a) Educate employees with the types of improprieties that might occur in their area,

b) Create a culture whereby Member, Volunteer or employees are encouraged to report any fraud or suspected fraud which comes to their knowledge, without any fear of victimization,

c) Promote Member, Volunteer and employee awareness of ethical principles subscribed to by the Foundation through Code of Conduct(CoC), Integrity Policy (IP) and Community engagement Policy (,CEP)

(iii) Amendments shall be made in the general conditions of contracts, sanctions, loan/ subsidy/ grant agreements of the Foundation wherein all bidders/ service providers/ vendors/ lenders/ borrowers/ consultants etc. shall be required to certify that they would adhere to anti fraud Policy of GCFSFF and not indulge or allow anybody else working in the Foundation to indulge in fraudulent activities and would immediately apprise the Foundation of the fraud/suspected fraud as soon as it comes to their notice. In case of failure to do so, the Foundation may debar them for future transactions.

This condition shall form part of documents both at the time of submission of loan/subsidy/grant application and execution of loan/subsidy/grant agreements and contracts with suppliers and service providers.

(iv)The Foundation will send the Member, Volunteer or employees for attending training program, seminars and workshops on detection and prevention of fraud.

#### XI. MIS REPORT

(i) All frauds involving amount of k0.50 and above each to be reported to the Board promptly by the HR Unit after the same are proved in the final investigation by Vigilance Unit.

(ii) Information relating to all frauds proved in the preliminary investigation shall be placed before the Audit Committee of Directors by Nodal Officer.

#### XII. ADMINISTRATION OF THE POLICY:

Director of Operations of the Foundation is responsible for administration, interpretation, application and periodical review of this policy. However, the decision of Chairman and Chief Executive Officer will be final in the case of difference in the interpretation of any of the clauses in the Policy.

Further, the CMD is empowered to approve any amendment in the policy recommended by the Director of Operations. However, such amendment may be informed to the Board of Director in the next meeting.