# ANTI-FRAUD, ANTI-BRIBERY, AND ANTI-CORRUPTION POLICY

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**1.0. Introduction**

LISUDEV is committed to conducting its operations with integrity, transparency, and accountability. This Anti-Fraud, Anti-Bribery, and Anti-Corruption Policy sets forth the principles and procedures to prevent, detect, and respond to fraud, bribery, and corruption within the organization. This policy applies to all LISUDEV staff, including permanent and temporary employees, volunteers, interns, consultants, and contract partners, including suppliers, contractors, and any other entities working with or on behalf of LISUDEV.

1. **Policy Statement**

We have a policy of **ZERO TOLERANCE OF FRAUD AND CORRUPTION**, and we require staff and volunteers to act honestly and with integrity at all times, and to safeguard the assets for which they are responsible. Fraud and corruption are threats to our assets and reputation and so must be a concern of all members of staff and volunteers. We take seriously the view of any actual or attempted act of fraud or corruption by staff, volunteers, contractors or their employees, implementing partners and agents acting on our behalf. Staff and volunteers involved in actual or attempted fraud or corruption of any kind will be subject to disciplinary action up to and including dismissal, and, where practical, will be reported to law enforcement authorities for criminal prosecution. We will endeavour to recover, by any and all legal means, any funds lost through fraud from those responsible and will take robust action against involved third parties (including partners, contractors and agents).

**1.2. Purpose**

The purpose of this policy is to:

- ❖ Define and provide guidance on preventing, detecting, and addressing fraud, bribery, and corruption.
- ❖ Establish clear roles and responsibilities for LISUDEV staff and volunteers.
- ❖ Promote a culture of integrity and ethical behaviour.
- ❖ Ensure compliance with relevant laws, regulations, and standards.

1.3. **Definitions**

- ❖ **"Fraud"** is civil or criminal deception, intended for unfair or unlawful financial or personal gain or to cause loss to another party, such as by misappropriation of assets, abuse of position, collusion, false representation and/or prejudicing someone's rights. Additionally, acts of theft are included in this Policy.
- ❖ **"Bribery"** involves the (attempted) complicit exchange of private gain and abuse of entrusted authority. This includes offering, promising, giving, accepting or soliciting money, a gift or other

private advantage as an inducement to, or reward for doing something that is illegal, an abuse of power or authority, a breach of trust or duty, or otherwise improper, in the course of carrying out an organisation's activities.

- **Corruption** can include nepotism or favouritism. Neither fraud nor corruption are restricted to monetary or material gain (of any size), but could also include intangible benefits such as status or information, and can be for the benefit of an individual or interest group.

## 2.0. APPLICABILITY OF THE POLICY

We are committed to preventing fraud and corruption and developing an anti-fraud and anti-corruption culture. To achieve this, we will:

- Develop, maintain and consistently apply effective controls to prevent fraud and corruption at all levels
- Ensure that if fraud or corruption occurs, a vigorous and prompt investigation takes place, and that reports are shared with stakeholders as appropriate;
- Take appropriate disciplinary and legal action in all cases, where justified;
- Take all appropriate and reasonable steps to recover any financial losses;
- Review systems and procedures to prevent similar frauds or acts of corruption;
- Ensure fraud and corruption risks are taken into consideration in programme planning;
- Report incidents to donors as required; and
- Publish summaries of all completed fraud investigations and significant thefts on the publicly available LISUDEV website https://lisudevcm.org.

We may report back to our donors' organizations the details of those found guilty of fraud against us in a final court of law for inclusion on lists of suspended and debarred individuals, if any such lists exist. We may also make such individuals public after consulting with legal counsel to ensure complete legal compliance and reduce the likelihood of civil litigation against LISUDEV.

## 3. GENERAL GUIDELINES

We value long-term relationships, and we deal with our suppliers, programme partners, regulators, governmental agencies, public officials, political figures and other stakeholders on the basis of merit, professionalism, trust and integrity - never illicit payments, unlawful "favours" or other actions that could expose us to the many risks of financial loss, operational impairment, dependency, blackmail, extortion, legal sanction and reputational harm.

### 3.1. "THE DOs and DON'Ts"

#### 3.1.1. THE DON'Ts

- ❖ We prohibit all forms of fraud and corruption with a **ZERO-TOLERANCE POLICY**.
- ❖ Do not make or receive any payments or gifts, or provide or receive other favours, to or from any public official, political figure, representative of a regulatory body or government agency, nor to or from any of our suppliers, programme partners or any other party (whether public or private) in order to influence or reward any act or decision to grant a license or regulatory approval, obtain or retain business, or to seek any other unlawful or improper purpose of advantage.
- ❖ This prohibition excludes gifts and hospitality of minor value which are in keeping with general business practices and which are not subject to reasonable interpretation as an improper inducement. Offices may wish to maintain a register of gifts and hospitality.

ALL personnel are STRICTLY PROHIBITED from:

❌ Fraud:

- Stealing or misappropriating LISUDEV funds, assets, or resources
- Making false or fraudulent claims for payment
- Creating or using false documents, receipts, or invoices
- Misrepresenting expenses or inflating costs
- Using LISUDEV resources for personal gain
- Providing false information on timesheets, applications, or reports

❌ Bribery and Corruption:

- Offering, paying, seeking, or accepting bribes in any form
- Offering or accepting kickbacks from suppliers, contractors, or beneficiaries
- Using position for personal financial gain
- Accepting "facilitation payments" to expedite services
- Offering anything of value to government officials to influence decisions
- Accepting personal gifts or benefits that could influence decisions

❌ Conflict of Interest:

- Engaging in business with LISUDEV for personal profit
- Hiring family members without disclosure and proper approval
- Participating in decisions where personal interests exist
- Having financial interest in organizations doing business with LISUDEV
- Using confidential information for personal advantage

✕ Procurement Fraud:

- Split purchases to avoid authorization thresholds
- Colluding with suppliers to inflate prices
- Accepting gifts from suppliers during procurement
- Favoring certain suppliers for personal reasons
- Creating fake competitive bids

✕ Financial Misconduct:

- Falsifying financial records or reports
- Unauthorized use of LISUDEV funds
- Making unauthorized commitments or contracts
- Circumventing financial controls
- Concealing financial information

### 3.1.2. THE DOs - **In critical situations, act as follows:**

- ❖ Ignore or reject any hints at committing an act of fraud or corruption;
- ❖ Try to have someone as your witness to support you;
- ❖ Agree to nothing improper, even if the suggestion includes a "charitable donation"; and
- ❖ Maintain fair and accurate records, documenting the details of any requested, attempted or actual act of fraud or corruption, as soon as possible after the event.

### "IF YOU SEE SOMETHING, SAY SOMETHING"

Report all suspected, requested, attempted or actual acts of fraud or corruption to your own or other more senior manager, or use the **Safe** confidential reporting service reportcase@lisudevcm.org

### 3.1.3. 'Red Flags'

The following examples of general 'red flags' (which is not an exclusive list) may raise suspicion and be helpful indicators of fraud and corruption risk:

- Financial record-keeping and accounting discrepancies
- Absent, vague, inconsistent or false transaction descriptions or account allocations;
- Absent, false or unusual record of the identity of the payee / agent / counter-party;
- Excessive or unusually high compensation without supporting detail;
- Unusual payment patterns or structures, use of shell companies or other financial arrangements;
- General purpose or miscellaneous accounts that can be used to hide improper payments; or
- Over-invoicing; false or inaccurate invoices, travel and/or expense forms; unrecorded accounts or transactions;
- A third party does not appear to be qualified to perform the duties for which it/he/she is engaged;
- A third party refuses to certify, or provide information about its/her/his governmental relationships to verify, its compliance with anti-corruption requirements;
- Requests for commissions to be paid in a third-party country, to a third party, or in cash or untraceable funds;

## 4. ROLES AND RESPONSIBILTIES

All staff and volunteers are responsible for:

- Acting with propriety in the use of assets and resources of LISUDEV;
- Conduct themselves in accordance with the principles set out in applicable codes of conduct or equivalent, including:
  - ✓ Declaring at the earliest opportunity any actual or apparent conflict of interest having a bearing on their responsibilities;
  - ✓ Alerting line managers where they believe the opportunity for fraud or corruption exists;
  - ✓ Reporting details immediately to their line manager of any suspected or actual fraud or corruption; and/or any suspicious acts or events which might give rise to a suspicion of fraud or corruption; and
  - ✓ Assisting in any investigations by making available all relevant information and by cooperating in interviews.

A higher senior management, up to and including the director, should be notified if a staff member is unable for any reason to report a suspected fraud or corruption occurrence to their line manager. Employees who are still afraid to report misbehavior can use the confidential misconduct reporting service; reportcase@lisudevcm.org

**5.0. SPECIFIC RISKS**

We operate in a diverse environment where fraud, bribery, corruption, conflicts of interest, and other unethical practices may arise. All personnel are required to be of good conduct and comply with this policy, applicable laws, and the highest ethical standards. This requires that all staff be aware of and adhere to the following standards:

**a) Gratuities:** It is against our policy for any staff to incur expenses for the provision of gifts, travel or other gratuities, with the exception of de minimis hospitality charges for external guests' attendance at official events, provided such hospitality does not create or influence the objectivity of decision-making. This does not include paying the expenses of an external party (such as a celebrity) engaged to promote our work.

Cash gifts, cash equivalents, or lavish hospitality intended to influence decision-making are strictly prohibited.

**b) Dealings with Government and Public Officials**

LISUDEV regularly engages government institutions to implement its programmes, obtain statutory approvals, register operations, and fulfil its legal obligations. Such interactions must always be conducted lawfully, transparently, and ethically.

Staff must not directly or indirectly offer, promise, authorise, request, or provide any improper payment, favour, gift, or other advantage to public officials or any person acting on behalf of a public authority to influence decision, obtain or retain an improper benefit.

**c) Facilitation Payments**

Facilitation payments are unofficial payments made to secure or expedite routine government actions or administrative processes to which the organisation is already legally entitled.

LISUDEV strictly prohibits facilitation payments, regardless of local customs or practices, except where a payment is made under circumstances involving an immediate threat to life, safety, or liberty, as provided under in this policy. All official government fees must be transparent, receipted, and properly documented.

**d) Programme Implementation**

Where government authorities participate in programme planning, implementation, procurement, licensing, or partner coordination, all operational and financial decisions must remain objective, transparent, and free from undue political or personal influence unless otherwise required by law or donor agreements.

No employee should manipulate procurement, recruitment, partner selection, grant allocation, or programme decisions to improperly benefit any public official, political actor, or third party.

**e) Procurement and Partnerships**

LISUDEV is committed to ensuring that all procurement processes and partnership engagements are conducted fairly, competitively, transparently, and in the best interests of the organisation and its communities.

All procurement and partnership decisions must be based on objective criteria, including: the value for money; quality; technical competence; integrity and ethical conduct; compliance with legal and donor requirements; and organisational needs.

Appropriate due diligence must be conducted before engaging suppliers, consultants, contractors, implementing partners, and other third parties. This includes, where appropriate:

- verifying legal registration and ownership;
- assessing reputation and integrity;
- identifying conflicts of interest;
- screening against applicable sanctions or exclusion lists;
- evaluating financial and operational capacity; and
- documenting the assessment process.

Effective internal controls must be maintained throughout procurement and partnership management, including:

- competitive procurement processes where appropriate;
- segregation of duties;
- delegated approval authorities;
- documented evaluation and selection procedures;

- contract management and monitoring; and
- regular financial and performance reviews.

**f) Third-Party Relationships**

LISUDEV recognises that corruption risks may arise through third parties acting on its behalf.

All third parties, including consultants, suppliers, contractors, implementing partners, agents, intermediaries, and service providers must comply with applicable anti-corruption laws and the standards contained in this policy.

Contracts must include anti-corruption clauses, audit rights, conflict-of-interest declarations, and provisions allowing termination where fraud, bribery, or corruption is identified.

**g) Payments Made Under Duress**

Exceptional circumstances may arise in which an employee is compelled to make a payment because of an immediate and credible threat to their life, health, safety, liberty, or the safety of others.

Such payments may not constitute a breach of this policy provided that:

- the payment was made solely to remove the immediate threat;
- no reasonable alternative existed.

However, the incident must be reported as soon as it is safe to do so.

## 6. REPORTING

All personnel are encouraged to report suspected or actual fraud, bribery, corruption, conflicts of interest, or other misconduct in good faith through the organisation's reporting mechanisms.

LISUDEV prohibits retaliation against any person who reports concerns honestly and in good faith, even where subsequent investigations determine that no wrongdoing occurred.

However, any individual who knowingly makes false, malicious allegations or intentionally provides misleading information during an investigation may be subject to disciplinary action.

## 7. Compliance and Accountability

Failure to comply with this policy may result in disciplinary measures, including termination of employment or contractual relationships, recovery of losses, referral to law enforcement authorities, and any other legal or administrative action deemed appropriate.

All personnel have the responsibility for preventing, detecting, and reporting fraud and corruption, and safeguarding LISUDEV's reputation, resources, and mission.


## References

Bond - Anti-Bribery Principles and Guidance for NGOs.

https://www.antibriberyguidance.org/?__cf_chl_f_tk=OTShtxdvU8FRm6Xzrr40bUY4a4DNlZTrD0e5rGUYamI-1782755680-1.0.1.1-Cx_VvfNboiStVJd_RjpXpYTsIZcYXo6..7DwNhh.mTE