



Windle Trust
International

Fraud and Corruption Policy

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WTI is committed to promoting and adhering to the highest standards of integrity and accountability in the use of its resources, and takes a zero-tolerance stance towards fraud, corruption and theft.

All instances of actual, attempted and suspected fraud, corruption and theft, whether internal or external, opportunistic or systematic, will be investigated.

WTI will seek to recover any lost funds and assets and subject perpetrators to disciplinary and/or legal action.

This policy is endorsed and supported by the Board of Trustees and Executive Director.

1. Introduction

It is WTI's responsibility to ensure that its resources are used for the intended purposes, whether administered or controlled by WTI staff, or organisations implementing WTI projects. WTI staff members, consultants, contractors, partners, and others with a contractual link to WTI must be beyond reproach, and the organisation's regulations and procedures must support the highest standards of ethical and financial integrity.

This policy applies to any fraud or corruption (actual, suspected or attempted) involving WTI staff members as well as any party, individual or corporate, having a direct or indirect contractual relationship with WTI, or who is funded wholly or in part by WTI resources.

The purpose of this document is to consider the nature of fraud and corruption to which WTI could become victim and to set out the organisation's policy to address the prevention of, and response to such incidents. This policy is designed to:

- *Raise awareness of fraud and corruption risks;*
- *Implement and strengthen controls aimed at preventing fraud and corruption;*
- *Consolidate procedures for the detection, investigation and handling of fraud and corruption; and*
- *Provide concrete and practical advice to WTI staff in identifying potential risk areas and tools to prevent or address situations of fraud and corruption.*

2. Definitions and scope

For purposes of this Policy, the following definitions apply:

- **Fraud** – Any act or omission, including misrepresentation or concealment of a material fact, that knowingly or intentionally misleads, or attempts to mislead, a party to obtain a benefit, whether directly or indirectly, whether for oneself or for a third party.

Fraud could involve misappropriation of cash (such as fraudulent claims/disbursements) or other assets (such as falsifying inventory records), or fraudulent statements (purposefully misreporting or omitting information) which is carried out to conceal the misappropriation of assets or otherwise for gain.

- **Corruption** – The offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party. Corruption may take the form of an undisclosed conflict of interest, unauthorised acceptance of honours, gifts or remuneration, bribery (including kickbacks), illegal gratuities or economic extortion.

The risks of fraudulent acts whether by staff or external parties with whom WTI has business relations, may be grouped into three broad categories:

- **Financial risks**, which can be measured in monetary terms;
- **Operational and security risks**, which cause deficiencies in the implementation and delivery of programmes and danger to staff,
- **Reputational risks**, which harm the reputation and respect of the organisation.

An organisation may be vulnerable to ‘opportunistic’ and/or ‘systemic’ fraud. Opportunistic fraud refers to isolated incidents in a generally well-controlled environment. Systemic fraud refers to those situations in which fraud is endemic and entrenched in the system. Systemic fraud represents a much more serious problem to the organisation, its operations and reputation than opportunistic fraud.

3. Reporting allegations of fraud or corruption

With references to WTI’s Whistle Blowing Policy, concerns of fraud and corruption can be reported by:

- employees of Windle Trust International, irrespective of where they are based
- employees of external contractors or suppliers
- those providing services under a contract or other agreement with WTI

If they reasonably believe that an act of fraud or corruption has occurred, is occurring or is likely to occur.

Any allegations received in any way will be taken seriously and investigated in the appropriate manner. Firm administrative/disciplinary measures or contractual remedies will be applied where the allegations are substantiated.

Where fraud or corruption has occurred because of a breakdown in systems or procedures, improvements in systems of control will be implemented as quickly and effectively as is practicable to prevent a reoccurrence.

Staff members have the duty to report any breach of the organisation’s policies and procedures to their supervisors. It is the responsibility of the relevant manager to take appropriate action and to cooperate with subsequent audits or investigations. Staff members shall not be penalised for fulfilling these duties.

A report of possible misconduct may be brought to the attention of the Country Director as a complaint, allegation or concern; or through inspection, audit or other oversight exercise. Upon receipt for such a report, the Country Director will ensure a thorough investigation and report to the Executive Director on the outcome.

Staff members may not be retaliated against for complying with the duty to report possible misconduct. No action may be taken against staff or others as a reprisal for reporting and disclosing information on possible fraud or corruption.

The identity of any person or entity reporting possible fraud or corruption is confidential and should not be disclosed without good reason. However, the source may become known to the alleged perpetrator during a disciplinary process.

Individuals who believe they have been subjected to retaliation or a threat of retaliation should forward all information and documentation available to them to support their complaint to the Country Director or the Executive Director if the country director is directly involved in the complaint.

4. Prevention

Preventing fraud and corruption is a shared responsibility that cuts across functional and hierarchical lines, and extends to all WTI staff. WTI policies and procedures in human resources management, financial management, procurement, and stores management are specifically designed to reduce the risk of fraud or corruption.

Fraudulent acts can be significantly minimised by:

- Senior management setting a good example of behaviour, according to the highest standards of ethical and financial integrity
- Strengthening awareness of staff about fraud and corruption prevention
- Sound and consistent application of the organisation's policies and procedures, including those relating to finance, human resources/recruitment and procurement
- Internal controls (e.g. segregation of duties, clear authorities for each responsibility).

4.1 The role of managers

Managers play a key role through their oversight of the organisation's control environment, including integrity and ethical values, compliance and disclosure.

Managing the risk of fraud is a crucial part of the organisation's good governance. While it is the responsibility of every staff member to assist in preventing and combating fraud and corruption, managers are expected to put in place the appropriate controls to prevent and address fraud and corruption risks.

Managers are responsible for initially following up any allegation of fraud or corruption received and must:

- Deal promptly with the matter;
- Report the matter to the Country Director or Executive Director, who will arrange for the appropriate investigation to be carried out;
- Record the evidence received;
- Ensure evidence is sound and supported;
- Contact other agencies (for example police) if directed to do so by the Country (or Executive) Director;
- Ensure insurers or other partners and donors are notified, if appropriate;
- Implement disciplinary measures if directed to do so by the Country (or Executive) Director;
- ensure relevant training for employees

Managers who fail to take appropriate action or who directly or indirectly tolerate or condone improper activities may themselves be subject to disciplinary action for negligence or misconduct.

4.2 The responsibility of all staff

All staff members have a duty to comply with WTI Human Resources, Finance policies and procedures or Procurement or asset protection policies.

Staff who violate, wilfully or negligently, relevant policies and procedures either through their own action or by not implementing mandatory control mechanisms, may be subject to disciplinary action, including dismissal, and may be required to reimburse WTI for financial loss incurred to the organisation. This reimbursement may be made by withholding payment, in whole or part, of any terminal benefits to which the employee might otherwise be entitled.

4.3 Specific considerations for offices handling large amounts of cash

WTI's African offices operate in a volatile environment, sometimes without access to an effective banking system and may be handling large amounts of cash or dealing with other valuable assets. It is particularly important that the organisation's internal controls and policies relating to the safeguarding of cash and assets are adhered to.

5. Detection, investigation and disciplinary measures

WTI has systems controls in place to deter fraud and corruption but it is often the vigilance of employees that aids detection.

When a matter has been brought to the attention of the Country (or Executive) Director, it will be investigated. The purpose of an investigation is to determine whether or not there are facts to support an allegation of misconduct that may ultimately be subject to disciplinary measures. An investigation is an administrative fact-finding exercise to determine whether misconduct has occurred.

The Country Director is responsible for ensuring that the person or team appointed to investigate maintains objectivity, impartiality, and fairness throughout the investigative process, conducting its activities competently and with the highest levels of integrity. The Country Director, or the Executive Director, is responsible for deciding whether the matter should be referred to the police.

Disciplinary measure resulting from the investigation will be actioned in accordance with WTI Human Resources policy and procedures. Fraud and corruption, once established, constitute a serious act of misconduct, and will lead to the termination of a staff member's contract of employment.

6. Awareness and training

The continuing success of this strategy and its credibility will depend in part on the effective training and awareness of employees throughout the organisation. This may include specialist training for certain employees.

7. Review of policy

This policy will be kept under review to ensure its effectiveness. Any comments on this document should be made to the Executive Director.