Mission East Anti-fraud Policy

The purpose of this policy is to encourage high standards in organizational and personal conduct in line with Mission East’s values of honesty, integrity, compassion, respect for all people and valuing the individual.

Mission East has a zero tolerance approach towards corruption and fraud in all its forms.

In addition, it sets out reporting channels and mechanisms of Mission East to prevent fraudulent activities of persons or entities associated with the projects and works of Mission East, and in the event of facing fraud or embezzlement, this policy aims to provide effective ways of dealing with it.

Defining Fraud or Fraudulent Activity

For the purposes of this policy,

- Fraud is an intentional deception designed to obtain a benefit or advantage or to cause some benefit that is due to be denied.
- Waste is the loss or misuse of Mission East resources that results from deficient practices, system controls or decisions.
- Theft is the act of taking something from someone unlawfully.
- Abuse is the intentional, wrongful, improper use of resources or the misuse of position and authority that causes the loss or misuse of Mission East resources or negatively impacts beneficiaries, employees, suppliers and any stakeholders working in relation with Mission East.

Examples of fraud include:

- Forgery or alteration of a cheque, bank draft or any other financial document;
- Theft of a cheque or other diversion of a taxpayer payment;
- Misappropriation of funds, securities, supplies or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Abusing of insider knowledge of Mission East operations;
- Unauthorized access to or use of confidential information
- Disclosing to others the securities plans and procedures of the organization,
- Bribes being paid to a staff member from a supplier, partner or beneficiary,
- Use of Mission East’s name or reputation to access certain privileges,
- Using Mission East position or materials for the purpose of sexual exploitation
- Abuse of authority to select certain beneficiaries rather than others based on non-compliant method to obtain favourable treatment or services.
- Deliberately providing incorrect information, including (for example) on job applications

Accountability

Mission East requires its employees as well as any consultant, vendor, contractor, other agency, or person/entity whilst cooperating or entering in any other relationship with Mission East, complies with the policy laid herein. References to Mission East Anti-fraud policy will be made on Mission East’s website as well as on tendering and contracting documents.
Failure for external stakeholders in complying with the policy may result in cancellation of the business or other relationship between the person/entity and Mission East.

Mission East requires that any consultant, vendor, contractor, other agency, or person/entity cooperating or in any other relationship with Mission East reports any suspected fraud, waste, theft or abuse to the Mission East office to initiate a preventive investigation. Suspected fraud, waste, theft or abuse can be reported via the existing communication and line management channels.

Reporting and Investigation should be done internally to the possible extent and should be reported to Mission East’s Finance Director before further action being taken.

Where a disclosure relates to a Management Team member, the disclosure may be addressed to the Managing Director of the organization. Where this option is unacceptable due to the nature of the disclosure, the report should be addressed to the Chairman of the Board of Mission East.

Mission East will protect the identity of the person/entity making the report, if requested, to the extent allowed by law and will not retaliate against any person/entity for making a report in good faith without pursuing any personal benefit.

**Prevention**

Mission East has set out a number of rules, policies and standards to be followed by staff, suppliers, consultants and other associated entities for spending cash, reporting on the spending and for a sustainable follow up of Mission East assets where necessary. More specifically see Mission East Finance Manual and Annexes, Procurement guidelines and Mission East’s Code of conduct, as well as staff and consultant employment and service contracts.

In an effort to maintain high standards of institutional integrity and aiming to prevent the conflict of interest, each staff member of Mission East is required to:

- abstain from any actions that will in deed or in appearance violate the law or ethical standards for relief and development, including Mission East policies, as outlined in the HR Handbook and other organizational policy documents,
- immediately disclose any actual, apparent or potential conflict of interest,
- not enter into any agreement which conflicts with staff’s duties or obligations to Mission East, and could expose staff to conflict of interest.
- act impartially and objectively, and not give preferential treatment to any entity or individual engaged in any professional activity with Mission East. If at any time (s)he may be at risk of being unable to maintain professional objectivity on any issue, (s)he will abstain from taking a position on the matter.

In addition, Mission East conducts trainings on this policy as part of the Induction of the new staff members, as well as refresher trainings for the others.

As part of regular formal procedures and reports, Mission East requires and maintains:

- Project workbooks as part of regular project monitoring tool,
- Clear split of authority and signatory tables by countries of operations for authorization on spending and procurement activities,
- Monthly reporting of expenses of field offices and local partners as per the pre-defined forms and reporting templates,
- Monthly procedures of reconciliation of bank and cash holdings,
- Quarterly follow up of minor and fixed assets registers,
- External audit of projects for both Mission East country offices as well as local partners,
- Spot checks and internal audits during the country visits of finance and project officers from HQ. These checks are both paper based and physical when related to material assets or inventory.
- A Staff Code of Conduct which sets clear standards for expected behaviour and ethical conduct
- Thorough recruitment procedures which include taking up of references to verify candidates’ suitability and experience

**Dealing with Fraud**

Reporting, investigating and managing Fraud should be done following the same principles as that of Mission East Whistleblowing Policy (See *ME HR Handbook 3.9 Reporting Misconduct, Whistleblowing and Grievance- chapter 3*). The focal point in the organisation for dealing with corruption and fraud cases is the Finance Director in Brussels.

Mission East openly states the consequences resulting of fraudulent activity within the organisation which is normally termination of associated agreement or contract as well as in case of material loss by Mission East requirement of reimbursement of such by the causing party.

Similarly, for Mission East staff member a fraudulent activity is listed as gross misconduct (See *ME HR Handbook 3.11 Discipline policy - chapter 3*). That is, if, after investigation it is confirmed that the individual has committed gross misconduct the normal consequence will be dismissal.

In addition to a termination of contract as mentioned above, the Mission East staff convicted of fraudulent activity, will also be required to reimburse the estimated loss that Mission East has suffered.

In both cases, if no compromise is found between Mission East and the fraudulent party to repair the damage, consideration will be given to taking civil legal action to recover losses. This is in addition to any criminal proceedings which may result. In every case, the final decision whether or not to prosecute should be taken by The Management Team and approved by the Board.

Only the Managing Director of Mission East can grant authorization to override this policy.

When fraud is related to funds that have been provided by donors, the cases must be reported to the donor even at the early stage of suspicion. In coordination with Mission East’s Finance Director, reporting staff must follow the different formats and procedures proposed by Mission East’s funds providers.

**Application – Policy responsibility**

In Mission East field locations, it is the responsibility of Mission East Country Directors to ensure that their operations adhere to the policy laid out herein. In Mission East head office locations, it is the responsibility of the Management Team to ensure that organisational integrity is upheld in accordance with the provisions of this policy.

This policy and updates to it will be communicated and made available to Mission East staff and associated parties as relevant. It is the responsibility of line managers in field locations to ensure that national staff has access to this policy in their own language and that they indicate their understanding of it.