



## Anti – Fraud Policy

**Created by:** Head of Finance and Operations

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**Review period:** annually

**Date of last Review:** 18.7.2023

**Applies to:** Board of Directors, senior staff, staff, volunteers, and all associated with Irida Women's Center and its operations.

### Purpose

With this Policy and considering the zero tolerance of Irida Women's Center in cases of fraud and corruption by the founders, the staff, associates, suppliers and third parties with whom Irida cooperates in any way, but also the obligations arising from the institutional, legal, and regulatory framework, at national and international level, Irida Women's seeks to:

- establish specific principles and rules for the prevention, deterrence, and fight against fraud and the formation of a unified professional behavior and culture for dealing with it,
- raise the awareness and vigilance of the organization's staff and associates, so that they are able to identify and avoid fraud-related actions,
- encourage the confidential reporting of any suspected act of fraud, through appropriate channels of communication that ensure the protection of individuals and the proper investigation of the reported incident,
- the development of systems, procedures and control mechanisms that assist in the prevention and suppression of fraud.

This Policy is expected to make a significant contribution to:

- ensuring the maintenance of a high level of ethical conduct in the provision of services and the execution of the activities of the Organization,
- preventing and dealing with potentially harmful consequences from possible illegal actions of Staff and Associates, which could endanger the reputation and interests of the Organization, its financiers, donors, and beneficiaries.

### Governance

The Management of Irida Women's Center is responsible for the adoption and approval of this Policy, its periodic review, and the monitoring of its implementation. The Management of Irida Women's Center also responsible for the proper implementation of this Policy, as well as for its communication to all stakeholders, the training of staff and associates in matters related to fraud, in order to ensure their continuous awareness and vigilance.



## **Definitions**

The infliction of damage to another's property for the purpose of obtaining an unlawful gain which is committed or achieved through the deliberate misrepresentation of the truth or concealment of a material fact to induce another to act. Fraud may entail all forms of participation in it, i.e., main perpetration, incitement and aiding or abetting.

Fraud can be either internal (committed or involving the personnel and associates of the organization) or external, (committed by third parties who aim to harm the interests of the organization)

The main categories of fraud are:

- Misrepresentation or concealment of facts,
- Bribery,
- Extortion,
- Forgery
- Theft or misappropriation of money or property
- Breach of fiduciary duty,
- Misappropriation of trade secrets
- Conflict of interest,
- Money laundering,
- Improper use of assets

The main factors that favor the commission of fraud are:

- the insufficient operation of the defined levels of control, which allows the circumvention of the internal regulations and instructions, during work,
- the omission of the division of responsibilities or their unclear division, as a result of which, the responsibility is spread to many persons and there is an overlap of duties and responsibilities,
- the violation of the hierarchy or the existence of ambiguity as to its limits,
- the precarious safekeeping and safeguarding of all kinds of assets and resources of the organization and third parties,
- the ignorance or lack of knowledge on the object of work and the inability to properly judge or evaluate the result of an action or decision.

## **Anti-Fraud Mechanisms**

1. Awareness of fraud

The Board, the staff, the suppliers, the partners and any third party employed under this Policy must be aware of their duty to prevent, detect and report fraud. In this context, Managers should



continually draw attention to this Policy and reiterate the obligation of staff to report fraud. They must also inform suppliers, partners and any third party involved in any way with Irida Women's Center about this Policy, as well as their commitment to it.

## 2. Fraud prevention and detection mechanisms

Higher management team should identify areas where fraud may occur, and the probability of their occurrence and reproduction. They should also carry out an impact assessment, such as an assessment of the precautionary measures taken to prevent fraud, as well as the systematic monitoring of all actions in the implementation of Programs, but also of the general activity of the Organization and third parties.

In particular, precautionary measures should be taken, such as:

- risk assessment to identify potential the risks to which resources, programs, projects, actions and interests of funders, donors, etc. are exposed,
- evaluation of the identified risks, selection of solutions to avoid them, design, and implementation of ways of prevention, mitigation, and control,
- creation and implementation of measures to prevent its recurrence,
- monitoring and supervising the general behavior of all potential suspects.

## 3. Individual integrity and other best practices

The organization has adopted practices regarding the notification of this Policy to the staff, associates, suppliers, partners and any third party with whom it collaborates or with whom it has any other form of transaction. The organization must apply both when hiring or starting a cooperation as well as during the period in which the contract or collaboration is valid.

Integrity is a factor that must be considered when recruiting or starting a partnership with any person, which is monitored - as far as possible - through interviews, professional experience and academic credentials, recommendations, and prior collaboration.

The organization has adopted a Code of Conduct, which covers the staff, the associates and third parties with whom the organization has a contract or any other form of transaction. In addition, any concluded contracts stipulate conditions regarding the permitted actions of the parties, which all discourage fraud and encourage the application of high standards of professional conduct.

It's the organization's responsibility to remind these rules and obligations to the staff, the partners and any third parties.

## **Roles and Responsibilities**

To ensure the effective and safe operations all staff, associates and third parties must prevent, detect and handle / report incidents of fraud and corruption in order to safeguard the resources of Irida Women's Center and its funding and donations, but also the safeguarding of the reputation of the organization.

The Management of the organization has developed an organized network of functions, procedures and control mechanisms that covers on a continuous basis all its areas of activity.

## 1. Obligations of Staff and Associates



The Management demands from all staff members to perform their duties with honesty and integrity, to comply with the internal regulations and service instructions and generally to be guided by the protection of the interests and all kinds of assets and resources of both the organization and those who have trusted it.

Prevention and suppression of fraud should be a major concern for all staff members. In this context, the staff of the organization must be on constant alert and immediately inform the Directors and the Managers of any phenomenon that involves evidence or causes suspicion of fraud, which falls into their perception.

It is also emphasized that any person who perceives delinquent behavior, which indicates fraud or raises suspicions of fraud, should not:

- contact the suspects or persons he/she considers to be involved in the case, attempting to determine the facts on his own or to request restoration of the previous situation,
- communicate the case or discuss facts, suspicions, or accusations with any third party.

## 2. Obligations of the Managers of the Organization and the Managers of the Programs

The Managers of the Organization and of the Programs should, cultivate a culture of zero tolerance for fraud and corruption and ensure that any practice contrary to this Policy is dealt with proactively and repressively. They should also take care to prevent and avoid wrongdoing, irregularities and improper or malicious acts that could endanger the reputation and interests of Irida Women's Center, its funders, donors, beneficiaries and third parties, but also its programs, projects, and actions in general.

When designing and implementing Programs, they should provide mechanisms for predicting, assessing, and avoiding fraud and corruption, and implement mechanisms to mitigate the likelihood of their occurrence. Since it is impossible to eliminate all these possibilities, effective risk management presupposes a healthy balance between anticipating, assessing, transferring or assuming the risks, which should be communicated to those involved.

To this end, all control procedures must incorporate, with the care of the Directors of the Departments and Programs, appropriate control mechanisms. And this to ensure that all works / transactions are valid, if they have been performed according to the operating rules of each Department and each Program, and they have been assessed in terms of the risks involved, handled by appropriately authorized and identified persons, registered in the files provided for each case and integrated into the administrative information system.

The faithful compliance of all involved, staff, associates and third parties, with the rules, principles, procedures, and functions provided for each job and field of activity, ensures the safe and orderly operation of the organization and the programs / projects, as well as the prevention of fraud or other improper actions and irregularities capable of harming their interests.

Managers of Departments and Programs should be kept informed of the existence of this Policy and its content and encourage staff, associates and third parties to report suspected fraud and corruption.

## 3. Obligations of Associates, Program Implementing Partners, Suppliers and third parties



The Organizational partners, including suppliers and third parties, should develop and encourage a work culture of honesty and integrity, implement controls and procedures aimed at minimizing any possibility of fraud, at receiving, reporting, investigating reports, and recommending remedies in relation to incidents, suspicions or concerns expressed about fraud.

More specifically, they should be familiar with the forms of fraud that may occur in their area of responsibility, be aware of any indication of fraud and corruption or unacceptable activity and monitor them strictly in order to avoid such incidents.

The organization's associates, partners and third parties must comply with the Organization's Anti-Fraud Policy and are required to ensure that all staff members under their supervision have a copy of this Policy in a language they understand and are encouraged to report suspicious cases of fraud. In the event that they belong to the public sector or the wider public sector, they will have to prove that they apply this or a corresponding Anti-Fraud Policy during their cooperation with the organization and take all necessary measures to combat fraud. In case of fraud, they should immediately inform the organization and cooperate with it to deal with the incident and repair any damage.

### **Reporting, Investigation and Correction**

#### **1. Reporting procedure**

Reporting behavior, which indicates fraud or raises suspicion of fraud is a moral duty of every member of staff, associates, partners, third parties, but also of the management of the organization. Reporting helps the organization to detect and combat fraud. This duty is safeguarded through the strong protection offered to petitioners acting in good faith. It is pointed out that in addition to the above report, third parties such as financiers, donors, beneficiaries, etc. can also submit a report.

The report on irregularities, acts and omissions, which are unusual or incompatible with the prevailing accounting practices, is submitted free of charge in writing in any way, including via e-mail, and directly to the Management of the Organization, i.e., to the CEO of the organization, its legal representative, and the person in charge of Human Resources.

In order for the investigation to be successful, references should be as specific as possible. References should include at least the following:

- the act that conceals a possible incident of fraud or corruption
- the time, place, and manner in which it took place
- the persons who were involved or who are possibly aware of the facts reported.

#### **2. Protection of the petitioner**

All reports submitted are treated with absolute confidentiality, with special protection of the anonymity of the petitioner who, in good faith and sense of responsibility, contributes to maintaining the image and reputation of the organization.

The organization recognizes that reporting a suspected incident of fraud can be a difficult decision, mainly due to the fear of retaliation from the suspects or perpetrators of the fraud. The



organization will not tolerate harassment, blackmail or retaliation against the person making such a report, instead it will take all practical steps to protect all the petitioners, who act in good faith.

The organization will protect the anonymity of the person reporting a suspected fraud. However, identification of the primary source of information may be required and the person reporting the incident may be required to make a written statement, which will be used as part of the evidence. In this case the organization will protect the individual at every stage of the process.

The organization discourages anonymous allegations. Incidents that are expressed anonymously will be assessed at the discretion of the organization. In exercising this discretion of the organization, the factors to be taken into account will include:

- the seriousness of the reported issues
- the assessed credibility of the allegations and the reported facts
- the possibility of verification of the claim from confirmed sources.

When any allegation is made in good faith, even if it is not confirmed by an investigation, the organization guarantees that it will not act against the petitioner. If, however, a person submits a malicious report or a report in bad faith, then disciplinary and other legal action may be taken against that person.

### 3. Fraud investigation process

The Management of the organization will investigate the reports of fraud cases with absolute confidentiality, through a Committee of Internal Audit of fraud cases consisting of 3 persons with relevant training and experience. Any interventions or harassment that may be exercised to the said committee and / or the Management of the organization during the exercise of its audit work, by the respective suspects or by their representatives or by lawyers, must be dealt with in cooperation with the Legal Advisor of the organization.

The Committee submits to the management of the organization within a reasonable time its conclusion regarding the investigated incident, which, like the minutes of the meetings of the Committee, will be confidential.

No information regarding the course or results of an investigation may be provided by the members of the Audit Committee and the Management of the organization to any interested parties or to third parties who are not part of the Committee or the Management of the organization.

Members of this Committee, who participate in these investigations, must report to the Management of the organization any cases of conflict of interest, in order to ensure their independence and objectivity.

The Internal Audit Committee and the Management of the organization take care of the safekeeping of the evidence resulting from the investigation of the relevant reports and cases. This material as well as the findings of the investigations are not communicated to unauthorized persons and bodies. This avoids undesirable situations that can lead to both insulting the name and personality of individuals, which were initially considered suspicious, but no facts were substantiated against them, as well as insulting the reputation, prestige and credibility of the organization itself.



#### 4. Follow-up actions

The Management has as a fixed principle to take disciplinary, administrative and all legal measures in cases where the crime of fraud is substantiated. Proven allegations of fraud may lead to:

- (a) disciplinary and administrative penalties as well as in their dismissal (staff)
- (b) termination of the cooperation or no renewal (associates)
- (c) sending of a certificate to the attending institution (school, university) regarding their behavior (volunteers)
- (d) termination of cooperation and exclusion from future cooperation or other penalties (suppliers)

For all the above, in any appropriate case, the Organization will refer the incident to the Legal Advisor for the purpose of the initiation of the criminal prosecution. The context as well as the possible consequences at the level of human rights should always be considered before prosecuting the people involved. In any case, the final decision on the prosecution should be taken by the Management of the organization.

If the organization suffers damage or loss due to fraud, the return of any gain or advantage arising from the commission of the fraud will be claimed, and the person responsible will be required to fully recover any loss of the organization from the fraud. If the person responsible for the damage due to the fraud cannot or does not repair the damage, then all the necessary legal measures will be taken to cover the damage, in addition to any criminal proceedings that may arise.

In case of factors related to the overall operating system of the organization, which contributed to the commission of the fraud, the Management of the organization identifies the operational weaknesses and the relevant risks and adopts ways of prevention, handling, or recovery, in order to avoid future recurrences. It also conducts, whenever it deems appropriate, relevant follow-up actions, in order to determine the handling of the identified risks and weaknesses.