



## **BASTAR DHARMA KHEMA SAMITI (BDKS)**

**Sangam Bhavan, Metgda, Jagdalpur**

### **Anti-Fraud Policy**

#### **BDKS is working to establish a just, responsible and compassionate society.**

- It is committed to promote an environment that is of mutual respect and understanding.
- It believes in creating a safe and secure environment that enables people and communities to achieve their full potential to Glorify God.
- It believes in the principles of stewardship, transparency, accountability and inclusivity.
- To further the objectives and the principles it embodies, the board of BDKS has resolved to create policies and guidelines to achieve its stated objectives.

#### **The Source of its Values, Principles and Practices**

1. Our understanding, principles, and practices are guided by the Bible and the law of the land.
2. Our involvement will be based on the voices of different groups in a community and primary and secondary data.

#### **Application of the Policy**

This Policy applies to

- Any Staff Member who are defined in BDKS Employment Policy.
- Any Representatives, which includes: Board and Society Members, Guests,Visitors, Supporters. Consultants, Journalists, Photographers, Media Persons, Internsetc.

BDKS Anti-fraud, Bribery & Corruption policy states as under.

#### **Definition:**

Fraud is defined as the use of deception by an individual staff or group of staff with the intention of obtaining an advantage for himself/ herself/ themselves or for a thirdparty or parties, avoiding an obligation, or causing loss to another party.

The Board directs the Management to draft and implement appropriate rules, guidelines and actions to be taken to fulfil the Anti-fraud, Bribery & Corruption policy.

#### **BDKS Child Safeguarding and Protection, rules, regulations and processes**



The Board of Management at its meeting dated July 26, 2019, adopted “BDKS Anti-fraud, Bribery & Corruption Policy”. The Board of Management approved the rules, regulations and processes as recommended by the Management for the implementation of the policy.

## **BDKS Anti-fraud, Bribery & Corruption rules, regulations and processes**

BDKS has a “Zero Tolerance” Policy towards fraud, bribery and corruption. This means that BDKS:

- Does not accept any level of fraud, bribery or corruption within the organization or by any other individual or any organization receiving fund from or representing BDKS.
- Will always seek to take appropriate action against those who found to have perpetrated, be involved in, or assisted with fraudulent or other proper activity in any of its operations.
- Is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum.
- Considers fraud as a criminal offence and gross misconduct.

### **A. Definition of Fraud**

The term fraud is used to describe offences such as, but not just limited to the following:

1. Forgery, falsifying cheques, bank drafts or any financial data.
2. Improprieties in handling or reporting of monetary transactions.
3. Authorizing or receiving payments for goods or services not received or rendered.
4. Receiving personal benefits from suppliers (kickbacks).
5. Falsifying timesheets or payroll records.
6. Falsifying expenses to be claimed from BDKS and/or using organizational financial resources to pay for personal expenses.
7. Fictitious reporting of receipts from suppliers or consignments to supporters.
8. Misappropriation of funds, securities, supplies or any other asset.
9. Theft or intentional loss/misuse of any asset.
10. Misappropriation of the organization’s computer hardware, software, data or other records.
11. Deliberate misreporting of information on documents.
12. Failing to disclose information on fraud, which may include misappropriation of resources and positions?
13. Abuse of positions.



14. Paying/receiving bribes.
15. Any violation of laws related to dishonest activities or fraud inclusive of extortion, deception, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.
16. Passing/copying on any (Classified / non-classified) data (soft copy) through any mode without appropriate approval / prior permission.
17. Allowing mediators with vested interests and placing orders through them instead of placing the order directly
18. Delay in taking decision / initiating in time by the Management to show favoritisms or vested interest leading to financial loss to the organization.

## **B. Fraud Prevention**

BDKS will work along with the staff and representatives to promote and ensure that they are equipped to:

1. Understand BDKS's Anti-fraud, Bribery & Corruption Policy.
2. Articulate verbally or in writing against fraud without fear or inhibition.
3. Have internal and external process for safe reporting of fraud (whistle blowing).
4. Inform community to report if the staff or representative of BDKS commits any fraud. They will be oriented to use Whistle Blower Policy while reporting.
5. Establish operational practices that actively minimize the risk of fraud.
6. Undertake a fraud risk-assessment of their operating environment.
7. Develop and implement systems to effectively prevent, detect and investigate fraud.
8. Understand the appropriate disciplinary action to remedy the harm from fraud.
9. Map out the process for the recovery/compensation of funds lost via fraudulent activity.
10. Train organizational staff in fraud awareness and control activities.

## **C. Fraud Detection**

1. Any staff or volunteer who has knowledge of or suspects the occurrence of fraudulent activity should immediately notify their immediate supervisor or another senior BDKS representative.
2. If the staff or volunteer has reason to believe that their supervisor may be involved in the fraudulent activity, they should immediately notify BDKS's Executive Director. Should the suspicion involve the Executive Director or a member of BDKS Board, the Chair of the Governance Committee or the Chair of the Board should be notified immediately via email.



3. If the community members where BDKS is working has the knowledge of or suspects the occurrence of fraudulent activity should immediately notify the Executive Director or the Convener, Governance Standing Committee or the Chairperson of BDKS Board. The contact details will be updated time and again at the community meetings and the same will be minted in the Community Committee Meetings.
4. Anonymous Notification: If the staff or volunteer would like to report the knowledge or suspicion of fraudulent activity and remain anonymous, they should contact the Executive Director through the following means: Email: [ed@BDKS.org](mailto:ed@BDKS.org), by phone ask for the Executive Director at: (+91-11-25516383/4/5) and can send by post addressed to the Executive Director marked "Strictly Confidential". They can also contact the Governance Committee Chair person through mail and phone calls which will be updated time and again in the website, through posters and Community Committee Meetings.
5. The person revealing the fraud should provide as much information relating to the suspected fraudulent activity as possible, including:
  - a) Names of those involved.
  - b) Location where the activity took place.
  - c) Date and time of fraudulent activity.
  - d) Description of fraudulent activity.

Once notified of the suspected fraudulent activity, the direct supervisor (where the activity has occurred within any BDKS office) should immediately communicate the information to BDKS's Executive Director or Chair person Governance Committee who will take appropriate action.

#### **D. Managing Fraud Investigations**

Where fraud is alleged, suspected or detected:

1. BDKS's Executive Director or Chairperson Governance Committee will communicate the information to the Governance Standing Committee, and any relevant donors (should the fraudulent activity involve specific donor funds).
2. A full investigation shall be undertaken, led by a team consisting of the Executive Director/ one Governance Committee member, personnel from Finance, Human Resource Development, one Manager. The team can also be constituted within the Management team taking into consideration the intensity of the Fraud reported.
3. The suspected staff/ representative should be kept away (leave/suspension/ transfer / reporting to HQ etc.) from the existing work place immediately after receiving



suspicious call / letter / email in order to prevent the manipulation of evidence and to have fair investigation.

4. Offenders shall, where deemed appropriate, be reported to the police. Employees or volunteers found guilty will be subject to immediate cessation of duties and/or employment.
5. Where possible and appropriate, funds or assets lost should be recovered from the offender.
6. Recovery can be through any of the following:
  - a) Criminal proceedings,
  - b) Civil proceedings, and/or
  - c) Administrative remedies
7. Process: The suspected staff / volunteer should be kept away (leave / suspension / transfer / reporting to HQ etc.) from the existing workplace immediately after receiving suspicious call / letter / email in order to prevent the manipulation of evidence and to have fair investigation.
  - a) Seizing of official Mobile or any other communication modes including the backups or hard disks and official files.
  - b) Investigation report to be reported immediately after completion of their investigation.
  - c) Intimation to Enquiry committee without any further delay.
  - d) Enquiry should happen within a week time from the date of investigation report.
  - e) Proper action should be initiated based on the evidence / findings and suggestion from the enquiry committee immediately if it is proven or latest by a week.
  - f) Update the information on action taken in his /her personal file.
  - g) Communicate the outcome of the action to the concerned supervisor and the concerned staff.
  - h) If there is any financial & material recovery from the offended staff, the
  - i) Action taken to recover to be intimated to Finance/concern Unit for recovery.
8. At the end of each investigation, a summary of learning's should be produced and forwarded to the Governance Standing Committee and the Chairperson of BDKS

## **E. Fraud Involving BDKS Funds Among Partners**

### **1. Notification of Fraudulent Activity**



- a) If a partner suspects, or has actual evidence of, fraudulent activity, an authorized partner representative must immediately notify BDKS.
- b) If fraud is reported to BDKS, the concern Manager will consult with his/her respective Director, Director (RFD), and the Executive Director to determine a course of action. Except in cases where the allegations are judged to have no credibility, BDKS will communicate directly with the partner organization's governing authority or an alternate authority and request that the allegations be considered and responded to.
- c) If staff of BDKS suspect or have actual evidence of fraudulent activity within a Partner organization, the concerned Manager will consult with respective Director, Director (Finance & Admn), and the Executive Director to determine a course of action. BDKS will communicate directly with the partner organization's governing authority or an alternate authority and request that the allegations be considered and responded to.

## **2. Notification Information**

When a Partner launches their own fraud investigation into activity involving funds or capital items provided by BDKS, or a project co-funded by BDKS, they should provide BDKS as much information relating to the suspected fraudulent activity as possible, including:

- a) Position of those involved.
- b) Location where the activity took place.
- c) Date and time of fraudulent activity.
- d) Description of fraudulent activity.
- e) How the fraud was discovered.
- f) What has been done so far

## **3. Fraud Notification Escalation**

- a) Once notified of a suspected fraudulent activity, the Committee comprising of BDKS's Executive Director, respective Director, Director (Finance & Admn), concerned Managers will assess the fraud notification and determine the best way of supporting the partner.
- b) BDKS will work closely with other co-founders and consider the possibility of a joint partner response.



- c) BDKS's Executive Director will communicate the information to the Governance Standing Committee, and inform any relevant supporting partners (should the fraudulent activity involve specific supporting partner's funds).

#### **4. Managing Fraud Investigations**

- a) Where fraud is alleged, suspected or detected, the Committee referenced in 3.a. will determine a course of action. This may include, but is not limited to, the following:
  - 1. Sending a staff member or an appointed consultant to visit the partner.
  - 2. Discussing and mutually agreeing upon a course of action to address the fraud.
  - 3. Discussing with co-founding partners the possibility of a joint response.
  - 4. Requesting a financial status report.
  - 5. Requesting the Board to respond to the allegations.
  - 6. Requesting the partner to refer the matter to the police.
  - 7. Withholding the transfer of funds approved till matters are dealt with.
  - 8. Requiring the partner to freeze existing BDKS funds held in their account till matters are dealt with.
  - 9. Requiring the partner to return existing BDKS funds held in their account.
  - 10. Requiring the partner to undertake an investigative financial audit periodically.
  - 11. Whether co-funding agencies should be informed of the allegations.
- b) Where possible and appropriate, BDKS's Partner should attempt to recover funds or assets lost from the offender.
- c) Recovery can be through any of the following:
  - a. Criminal proceedings,
  - b. Civil proceedings, and/or
  - c. administrative remedies
- d) Investigation of Partner organization fraud may impact decisions for future funding. If the fraud case has not been resolved, the responsible units will be informed of alleged, suspected or detected fraud to determine its impact on continued financial support.
- e) At the end of each investigation, BDKS's Partner will be asked to share a summary of what the organization has learned from the case.



## **F. Lessons Learnt**

BDKS is committed to ensuring that the lessons learnt from incidents of fraud, bribery and corruption are acted on within the relevant programme or head office. This is achieved by the following means:

- a) Through project learning reviews
- b) Sessions on current issues on fraud
- c) Risk Management being included in Governance Standing Committee meetings.
- d) Staff and partner training programmes.

Training materials being periodically updated to capture learning from recent fraud cases inclusive of case studies.