

# Rural Education and Environment Development Center (REED- Nepal

## FRAUD AND ANTI-CORRUPTION POLICY

<b>Policy Owner:</b>	Chief Executive Officer
<b>Approved by:</b>	Executive Committee of REED Nepal
<b>Issued Date:</b>	1 <sup>st</sup> August,2017
<b>Reviewed Date:</b>	1 <sup>st</sup> December, 2020 (substantial rewrite)
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<b>Next Review:</b>	December.2022

## 1. PURPOSE

The Rural Education and Environment Development Center (REED Nepal) has a zero-tolerance approach towards fraudulent and corrupt activity or behavior. It is committed to conducting all aspects of organizational and program management in a transparent and accountable manner to support good governance. The purpose of this Policy is to articulate REED Nepal's position against fraud, bribery and corruption to Board members, staff, volunteers, project partners and consultants.

REED Nepal acknowledges that the developing countries in which it works are inherently difficult environments with, often, weak governance arrangements and attitudes towards accountability and transparency. The paying of bribes encourages corruption, which, like fraudulent acts, is something that can further harm those already disadvantaged by diverting goods, services and opportunities away from them. It also is considered a high risk that such actions will prevent the objectives of REED Nepal's programs being achieved. For this reason, REED Nepal has systems and procedures in place to protect public and donated funds from fraud and corruption.

## 2. DEFINITIONS

**Fraud:** 'Dishonestly obtaining a benefit, or causing a loss, by deception or other means. This definition extends beyond the legal definition of fraud to include benefits obtained that can be both tangible and intangible. It thus encompasses activities or behaviors broader than the misuse or misappropriation of monies or assets. Examples of fraud include:

- Misappropriation of funds
- Altering documents
- Falsifying signatures
- Misuse of REED Nepal assets
- Providing false information to REED Nepal
- Unauthorised disclosure of confidential information
- Theft of funds or assets
- Bias, cronyism or nepotism

**Bribery:** The offering, promising, giving, accepting or soliciting of money, gifts or other advantage as an inducement to do something that is illegal, where a payment is not legitimately due, where it is offered with the intention of influencing a person in the exercise of their duties, or where it is a breach of trust in the course of carrying out an organisation's activities.

**Corruption:** The misuse of entrusted power for private gain.

### **3. POLICY GUIDELINES**

It is REED Nepal's policy not to be a party to any deals of any kind obtained by means of the payment or receiving of bribes or of any form of fraud, corruption or coercion. REED Nepal will engage a rigorous process of organisational and project management to ensure transparency and accountability in its dealings with other parties.

The REED Nepal Board encourages the use of reporting processes for the safe and swift reporting of suspicion or evidence of wrongdoing involving REED Nepal implemented projects or REED Nepal personnel. The REED Nepal Board will take prompt corrective action as considered appropriate.

### **4. MANAGEMENT PROCEDURES**

- REED Nepal is bound by the requirements regarding the reporting and action of suspected breaches of this policy.
- REED Nepal, is responsible for preventing and detecting fraud, bribery or corruption in any of its activities. Any breaches of this Policy must be investigated swiftly and at REED Nepal's expense.
- All REED Nepal Board members, staffs, volunteers, projects (Local level) partners and consultants have responsibilities and obligations to be aware of these rules and to follow REED Nepal's procedures in all cases.
- Any person reporting a fraud or corrupt behaviour, or a suspected fraud or corrupt behaviour, shall not be penalised for raising a concern of this nature.
- The CEO is charged with disseminating this Policy and related procedures to Board members, staffs, volunteers, project partners and consultants.
- REED Nepal's agreements with an in-country program partners clearly set out the requirements to protect funds from fraud and to not engage in anything that could be construed as bribery or corruption.
- REED Nepal's CEO, board and Auditor will regularly monitor activities and expenditure to guard against fraud and corruption.
- The conduct of fraud, bribery and corruption risk assessment and the implementation of anti-bribery procedures forms part of REED Nepal's ongoing risk management and internal control processes.
- If fraud is detected or suspected, REED Nepal Board members, staffs, volunteers, project partners and consultants are responsible for timely reporting to the REED Nepal Board Chair and/or CEO. REED Nepal's preference is to receive reporting on fraud in writing or by email. If the complaint is made orally REED Nepal commits to recording the complaint in writing. All cases of fraud and corruption are handled in a confidential, prompt and professional manner.

- Where fraud or corruption is alleged, suspected or detected, REED Nepal will:
  - Promptly investigate the matter
  - Report detected or attempted fraud or corruption within within five (5) working days .
  - Seek the recovery of misappropriated funds or assets and the application of appropriate penalties wherever possible
  - Seek prosecution of offenders wherever possible and appropriate.

**Contact:**

A report should be addressed to:

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