

OCIC FRAUD AND CORRUPTION POLICY

Approved by the Board of Directors January 2019

Preamble

OCIC's work, both internally and as a collective of members, is grounded in our shared vision of global social justice, human dignity and participation for all. Our policies are designed to meet OCIC's internal needs as an organization, however they are guided by ideals about anti-oppression, human rights, international cooperation, and the appropriate meeting of human needs articulated in a multitude of places by multilateral bodies, states, and civil society groups.

All OCIC policies and activities are informed by our Vision, Mission, Mandate, and Strategic Directions. Mindfulness of the spirit and letter of these documents is central to the integrity of the Council, as is compliance with the Canadian Council for International Cooperation (CCIC) Code of Ethics, the Istanbul Principles for CSO Development Effectiveness, and OCIC's Anti-Oppression Policy.

This policy is adapted from the Manitoba Council for International Co-operation Fraud and Corruption Policy approved by its Board of Directors in 2018.

1. Policy Purpose

OCIC recognizes that fraud and corruption is a prevalent issue, and has harmful effects on employees, the organization and society, and is a threat to our vision.

Fraud and corruption awareness, prevention, reporting and response are critical parts of the accountability and compliance culture at OCIC and are of great importance to our employees, partners, members, sub-project holders, funders and other OCIC stakeholders. Our internal and external stakeholders have a right to expect that we conduct all our activities to the highest ethical standards.

This policy sets out the minimum standards and procedures that OCIC is to follow, and addresses awareness, prevention, identification, reporting, investigation and close-out of fraud and corruption at OCIC. Where the funder regulations are more restrictive, those regulations must be complied with and incorporated in our work.

2. Scope

This policy and related procedures applies to OCIC Board, staff, consultants and all volunteers. This policy places the ultimate responsibility for managing fraud and corruption with the Board.

3. Definitions

For the purposes of this policy, key terms include: **Fraud and corruption**: the act of intentionally deceiving someone in order to gain an unfair or illegal advantage of any value, or the abuse of entrusted power for private gain (financial, political or otherwise). **Examples are given in Attachment A.**

4. Review

As per OCIC's 3-year review policy, this policy is to be reviewed and/or updated by the Governance Committee by January 2022.

5. Policy Statement

OCIC does not tolerate fraud or corruption by Board, staff, consultants and all volunteers, including any of OCIC's agents, vendors, partners or counterparts. OCIC Board and staff are required to be watchful for fraud, corruption or any suspicious behaviour, and report it to the Executive Director or Personnel Committee of the Board. All reported incidents will be appropriately investigated, disclosed, remediated and closed out.

6. Policy Details

6.1 Fraud and corruption Intolerance and Reporting Obligations: The Executive Director must report to either the Executive Committee or Personnel Committee of the Board of any incidence of fraud or corruption or suspicious behaviour.

6.2 Sufficiency of Investigations. Fraud and corruption and allegations of fraud and corruption will be appropriately investigated after considering severity, credibility, potential for reputational damage, and applicable funder requirements. Investigations will generally be led by either the Executive Director or the Executive Committee of the Board of Directors.

6.3 Confidentiality of Reports and Investigations; Non-retaliation. Any report of alleged or actual fraud and corruption submitted pursuant to this policy must be treated confidentially to the fullest extent practicable. Reports of fraud and corruption or suspected fraud and corruption may be submitted anonymously. Staff will not be retaliated against for good faith reports. Only parties with a need to know should be advised of a report and any related investigation.

7. Procedures

7.1 Procedure Overview. These procedures are designed to ensure appropriate management, reporting, investigation, remediation and close-out of allegations of fraud and corruption, and appropriate reporting, as specifically set forth below.

7.2 Prevention and Awareness: OCIC is responsible for orienting its staff, consultants, volunteers, sub-projects and partners to the content of this policy and for monitoring its implementation in activities for which the OCIC is the responsible party. Written agreements with external parties should, to the maximum extent possible, include a written reference to OCIC's intolerance of fraud and how it should be managed. **Reference Attachment B.**

7.3 Reporting to OCIC: Reports from staff, consultants, volunteers, or any external parties must be provided immediately (within three business days) of suspicion or discovery to OCIC's Executive Director, the Executive Committee, or the Personnel Committee of the Board. Reports must be received by OCIC in writing. **Reference Attachment C.**

7.4 Appropriate Investigation, Report and Follow-Up: Alleged fraud or corruption will be investigated and documented commensurate with severity, credibility, potential for reputational damage, and applicable funder requirements. A matter will be considered closed by agreement of all concerned parties when conclusions of an investigation and related remediation activities are satisfactory. **Reference Anti-Fraud and Anti-Corruption Responsibilities Chart Attachment D.**

8. Responsibilities

8.1 All staff, consultants, volunteers, Agents, and Vendors

- Act according to the legal and ethical standards and expectations
- Be watchful for fraud and corruption at OCIC or any related third parties including agents, consultants, vendors, and partners
- Report to Executive Director, Executive Committee, or Personnel Committee of the Board, as appropriate
- Cooperate with any investigation into allegations of fraud or misconduct

8.2 OCIC Management

- Maintain an adequate control environment, performs regular risk assessments, implements appropriate procedures and internal control activities, ensure sufficient information communication and monitoring of the whole control system is in place
- Maintain policies and procedures to detect fraud and corruption
- Require staff, consultants, and volunteers to report suspicions, allegations or known fraud and corruption
- Appropriately investigate or establish an appropriate person or team to investigate allegations of fraud and corruption
- Depending on context, develop guidelines to ensure clarity of roles and responsibilities
- Ensure implementation of any required or recommended remediation activity
- Activate the entire OCIC Board if risk to reputation or of external exposure
- Implement appropriate sanctions against staff, consultants, and volunteers who committed fraud and corruption
- Communicate with the Board, staff, consultants, and volunteers on the sanctions taken in case of fraud and corruption, as appropriate
- Sensitize staff, consultants, volunteers, and partners about the fraud and corruption risk in the local environment regularly, act transparently and encourage open discussion on challenges
- Make the policy and alerting process available for all staff, consultants, and volunteers including partner staff and sub-project stakeholders

Subject to the confidentiality requirements set forth in Section 5.3, the parties designated above may delegate their responsibilities to a qualified individual. However, the ultimate accountability for specific responsibilities set forth in this policy remains with the OCIC Board.

9. Governance and Accountability

The OCIC Board will coordinate oversight of this policy in collaboration with Executive Director, and review and update according to the timeframe specified in the policy. The Executive Director will monitor and report against this policy utilizing standardized data with appropriate levels of confidentiality.

10. References

- Attachment A: Examples of Fraud and Corruption
- Attachment B: Suggested Language for Contracts with External Parties
- Attachment C: Initial Investigation of Suspected Fraudulent Act Report
- Attachment D: Anti-Fraud and Anti-Corruption Responsibilities Chart

Attachment A: Examples of Fraud and Corruption

- Intentional concealment, omission, falsification or perversion of truth
- Inducing another to part with some valuable item or surrender a legal right
- Nepotism
- Bribery, kickbacks and/or gratuities
- Collusive behaviour with vendors
- Keeping false records,
- False claims (e.g. requesting payment for goods, services or activities not actually performed)
- Embezzlement, and theft
- Receiving or providing financial and non-financial favours with the intent of facilitating activities that the person may not normally receive
- Conflict of interest

Falsification, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account (including, but not limited to timesheets, payroll, accounts, travel and expense reports, procurement documents or inventory/asset registers)
- Forgery or alteration of a cheque, bank draft, or any other financial instrument
- Misappropriation of funds, commodities, securities, supplies, equipment, or other assets
- Impropriety in the handling or reporting of money, financial transactions, or bidding procedures
- Accepting or seeking anything of material value from suppliers or persons providing services/materials as provided by applicable policies on gifts
- Destruction or misappropriation of records, furniture, fixtures, or equipment
- Diversion, alteration, or mismanagement of documents or information, and/or any similar or related irregularity
- Any malicious use of internet and IT documents or messages
- Cybercrime and/or identity theft

Attachment B: Suggested Language for Agreements with External Parties

Fraud and Corruption. OCIC does not tolerate fraud and corruption, and we expect the same from everyone with whom we work. [Insert outside party defined term] shall maintain and comply with written codes of conduct and policies and procedures that protect against any form of fraud and corruption, bribery, kickbacks, conflicts of interest, and others. Upon request, [insert outside party defined term] shall share with OCIC its applicable codes of conduct, policies and procedures. [Insert outside party defined term] shall inform OCIC immediately (within 24 hours) and in writing of any instance of actual or suspected fraud or corruption related to its work hereunder and shall respond promptly to and fully cooperate with any investigation OCIC, in their discretion, may require. [Insert outside party defined term] shall make all staff aware of and encourage reporting of any suspected or actual fraudulent or corrupt behaviour through OCIC's notification system. [Insert outside party defined term] shall be financially responsible for any losses due to fraud and shall promptly refund such amounts to OCIC.

Attachment C: Initial Investigation of Suspected Fraudulent Report

Pursuant to OCIC's Policy on Fraud and Corruption Prevention, Awareness, Reporting and Response, this form shall be submitted within three business days in all cases regardless of amount, or materiality, and shall be submitted prior to a full investigation. One or two sentence responses to each item below are sufficient for purposes of this initial report.

Organization:

Project(s) compromised:

Date of discovery:

Method of discovery:

Date reported to OCIC:

Details:

Amount or value (estimate if necessary):

Initial internal control weaknesses or systems failures identified:

Initial remedial actions taken:

Potential for additional related fraud or corruption losses:

Initial determination of fraud/corrupted amount:

Initial determination if funder reporting is required:

Attach an action plan with recommendations for risk mitigation moving forward. Please include relevant actors/timeline/next steps needed.

Attachment D: OCIC’s Anti-Fraud and Corruption Responsibilities

Function	Activity
Prevention and awareness	a. Orientation for new staff, consultants, volunteers , sub-projects, refresher training.
	b. Systems review, spot-checks, internal audits.
	c. Internal controls in place
	d. Funder regulations, policies and reporting procedures
2) Violation alert (tip-off, verbal or written report)	a. OCIC report received and shared to implicated entities.
	b. Report through OCIC general email received and shared with implicated entities.
	c. Report received by a Partner/sub-project and shared with implicated entities.
	d. Report directly to an office received and shared with implicated entities.
3) Initial Investigation	a. Conduct initial investigation.
	b. Results are shared in preliminary report along with recommendation for further/larger investigation.
	c. Reporting back to complainant if necessary.
	d. Initial funder report.
4) Reporting and corrective actions	a. Action / corrective action plan developed and shared.
	b. Funder report.
	c. Implement appropriate sanctions and corrective measures
5) Major Investigation	a. Sourcing external assistance if needed (e.g., TOR, cost, etc.)
	b. Draft report and recommendation produced and shared.
	c. Feedback for report finalization.