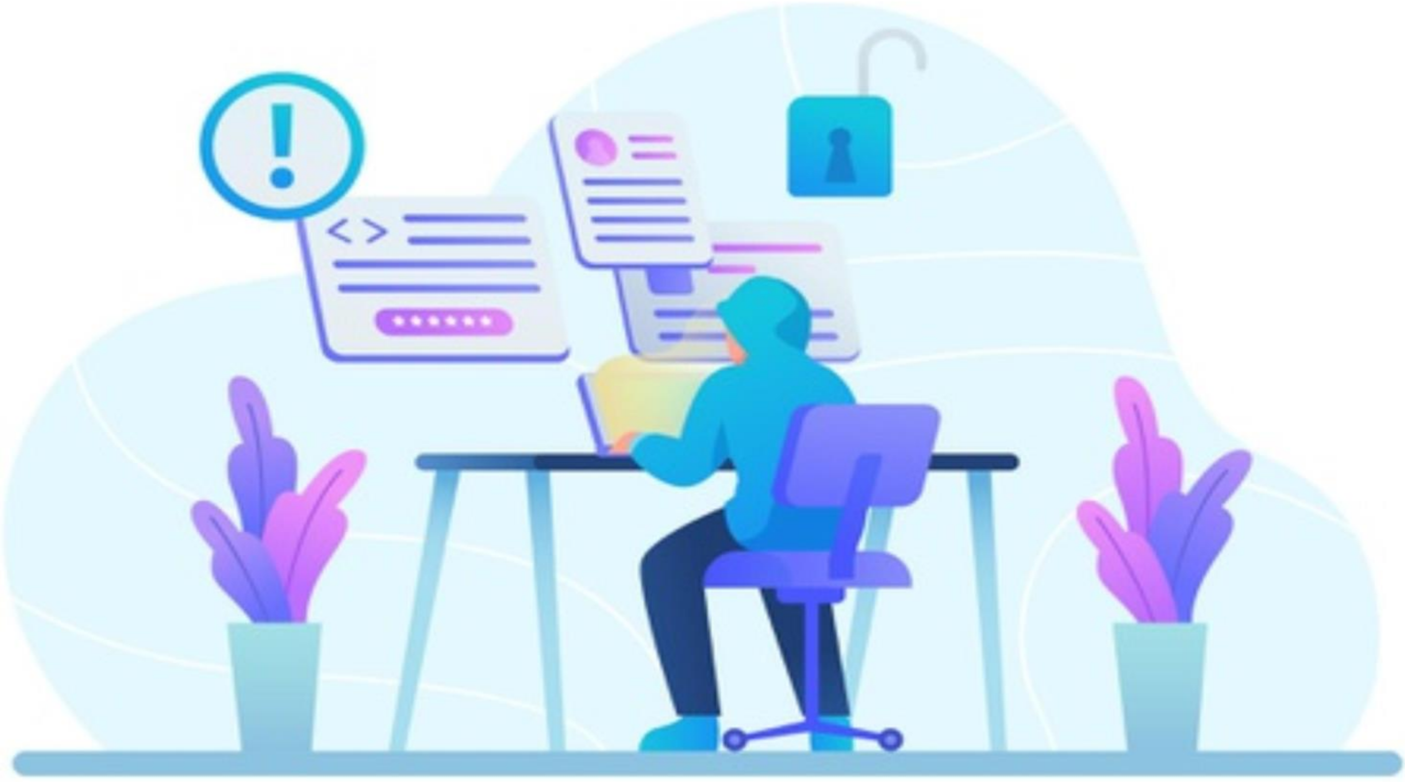
Save Youth Future Society
جمعية إنقاذ المستقبل الشبابي

Anti-Fraud Policy



Introduction

Save Youth Future established this Anti-Fraud and Whistleblower Policy (the "Anti-Fraud Policy") as it is committed to the highest possible standards of openness, honesty and accountability in all of its affairs. The organization is determined to maintain a culture of honesty and opposition to fraud and corruption.

Fraudulent and corrupt practices can seriously harm the organizations reputation and diminish donors' trust in its ability to deliver results in an accountable and transparent manner.

Save Youth Future Society will not accept any level of fraud or corruption and will treat any such matter with the utmost seriousness. Each case will be thoroughly investigated and dealt with appropriately. Investigations could result in dismissal and legal action.

The anti-fraud & whistleblower policy applies to all activities and operations of Save Youth Future Society. The zero-tolerance approach to fraud will be communicated to all partners, grant recipients, associates, suppliers, and contractors at the outset of our relationship with them and as appropriate thereafter.

Purpose

The Fraud and Whistleblower Policy has the following primary purposes:

- To encourage all individuals doing work on behalf of Save Youth Future Society to raise or report concerns with regards to suspected or actual fraudulent or dishonest conduct;
- To facilitate cooperation in any inquiry or investigation;
- To prohibit retaliation against any employee that reports suspected fraudulent or dishonest conduct and/or participates in a Save Youth Future Society investigation under this policy;
- To define employee and management responsibility for reporting fraud, potential or actual, or misconduct and to establish procedures for addressing wrongful conduct;
- To facilitate the development of controls aiding the detection and prevention of fraudulent or dishonest conduct against Save Youth Future Society; and
- To promote behavior consistent with Save Youth Future Society's Code of Conduct.

Definition

For the purpose of this policy, fraud includes any willful or deliberate act that is committed with the intention of obtaining an unauthorized benefit, such as money or property, by misrepresentation, deception, or other unethical means.

For example, fraud includes but is not limited to the following:

- Theft of funds or any other Save Youth Future Society property
- Falsification of costs or expenses
- Impropriety in the handling or reporting of money or financial transactions
- Forgery or alteration of documents
- Destruction or removal of records
- Employees seeking or accepting cash, gifts or other benefits from third parties in exchange for preferment of the third parties in their dealings with Save Youth Future Society
- Blackmail or extortion

- Paying of excessive prices or fees to third parties with the aim of personal gain.
- Personal use of Save Youth Future Society property in commercial business activities
- Any similar or related irregularity

If there is any question as to whether an action constitutes fraud, contact the manager/director for guidance.

Whistleblower: A whistleblower is a person who raises a concern about or reveals misconduct such as fraud occurring in a workplace or in the organization. At potential personal risk, they "blow the whistle" on workplace wrongdoing. Due to the risk of reprisal, organizations need have a process in place to ensure that whistleblowers are protected from unfair reprisal and receive support.

Responsibilities

In relation to the prevention of fraud, theft, misuse of equipment and abuse of position, specific responsibilities are as follows:

- **Save Youth Future Society:**

The organisation is responsible for establishing and maintaining a sound system of internal control. The system of internal control is based on an on-going process designed to identify the risks, to evaluate the nature and extent of those risks and to manage them effectively.

- **Director**

Overall responsibility for managing the risk of fraud has been delegated to the . His/her responsibilities include:

- Undertaking a regular review of the fraud risks associated with each of the key organisational objectives.
- Establishing an effective anti-fraud response plan, in proportion to the level of fraud risk identified.
- The design of an effective control environment to prevent fraud.
- Establishing appropriate mechanisms for:

    - reporting fraud risk issues
    - reporting significant incidents of fraud or attempted fraud to the Board of Directors;
- Liaising with Auditors.
- Making sure that all staff are aware of the Organizational Anti-Fraud Policy and know what their responsibilities are in relation to combating fraud;
- Ensuring that appropriate anti-fraud training is made available to Directors, staff and volunteers as required; and
- Ensuring that appropriate action is taken to minimize the risk of previous frauds occurring in future.

- **Senior Management Team:**

The Senior Management Team is responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- Preventing and detecting fraud as far as possible;
- Assessing the types of risk involved in the operations for which they are responsible;
- Reviewing the control systems for which they are responsible regularly;
- Ensuring that controls are being complied with and their systems continue to operate effectively; and
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

- **Staff and Volunteers:**

Every member of staff or volunteer is responsible for:

- Acting with propriety in the use of the organizational resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Alerting their manager when they believe the opportunity for fraud exists e.g. because of poor procedures or lack of effective oversight;
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events; and

- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

Staff Awareness

An important contribution to the continuing success of an anti-fraud strategy, and its general credibility, lies in the effectiveness of specific training for directors, staff and volunteers throughout the organization.

Awareness and training underpin fraud and corruption prevention and detection. Save Youth Future Society will ensure that all employees are aware of their responsibilities for fraud control and ethical behavior. As part of the introduction program all new staff will be introduced to the following subjects as they relate to corruption and fraud:

- Definition of fraud
- Consequences fraud can have on the organization and its employees
- The need for ethical behavior and the fact that fraud avoidance is everyone's responsibility;
- How to identify corruption or fraud;
- Steps to take if corruption or fraud is reasonably suspected;
- Responsibilities for handling allegations and inquiries into cases of fraud;
- The role of the organization, management and employees;
- Available remedies and measures to be applied when fraud is established

Managers are also required to make non-staff personnel, vendors, implementing partners and/or any other responsible parties aware of the anti-fraud policy.

Reporting Fraud

An employee who discovers or suspects fraudulent activity should immediately report this to their line manager or directly to the Chairman of the Board of Directors by email, telephone or face-to-face, in order of preference. The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.

- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the investigation committee and/or law enforcement
- The reporting employee shall refrain from further involvement in the matter unless directed otherwise

When a whistleblower incident is submitted to the (line) manager, a report is sent to the Chairman of the Board of Directors. The Board of Directors will determine if the allegation is reasonable. All reasonable allegations will be treated seriously and systematically, and will be properly investigated. Great care will be taken in the investigation of suspected improprieties or procedures irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

Investigations will be conducted as quickly as possible, based on the nature and complexity of the report and the issues raised. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct.

Investigation

The Board of Directors will appoint a Board of Inquiry (BoI) to investigate the allegation. The BOI will comprise of three staff members and is headed by the Chairman of the Board of Directors. The persons selected for the BOI will vary depending on the expertise required in relation to the alleged fraud.

The individual(s) concerned in the investigation will be informed of the allegations against him or her, and the course of action to be taken. At the same time the BoI will ensure that all information in the possession of the individual suspected is secured for investigation. It might further be decided that during the course of the investigation, the individual alleged to have committed the fraud may be taken out of his/her position. This may mean the individual is put into another position, or put on leave with pay, leave without pay, or suspension.

Ensuring the investigation, a report is issued detailing the findings and conclusions including recommendations for action to be taken. The report will only be disclosed to those with a legitimate need to know.

Note: Depending on the magnitude and the complexity of the offense, it might also be decided to immediately hand over the investigation to an external party such as an external audit firm or where deemed appropriate, to the police. This has to be approved by the Board of Directors.

Whistleblower Protection

Who reasonably believes that fraudulent activity has been conducted by another employee and reasonably reports the activity will not be subjected to an adverse employment action as a result of reporting the activity. This includes actions such as: Reprimand, discharge, suspension, demotion or denial of promotion or transfer that occurs in retaliation.

Any employee who has reason to believe that he/she has been subject to retaliation for making a report or participating in an investigation under this Policy must immediately report this. Any employee who retaliates against another employee for making a report or participating in an investigation under this Policy will be subject to disciplinary action, which can include termination of employment.

However, in view of the serious nature of this policy, employees who use this policy maliciously to damage the reputation of other employees when they have no reason to believe that misconduct has occurred may be subject to disciplinary actions.

Confidentiality

During the investigation, confidentiality, in so far as possible, will be maintained for all reports made in good faith. However, if criminal activity is to be reported to the police, the identity of the person reporting may eventually have to be disclosed to enable external investigators or the police to pursue criminal investigation effectively.

External Relations

In the case of substantiated fraud, Save Youth Future Society will take immediate steps to inform external stakeholders as appropriate. Where an investigation confirms that an act of fraud was committed, the Chairman of the Board of Directors will disclose the details of the fraud, the assets/resources affected, and the efforts being made to remedy the situation to any partner or donor with an interest in the affected area. This will be done in a timely manner and with great care to be transparent and responsible. The organization will retain a complete record of any information released, including the content and the recipient.

Follow Up Actions

The organization will ensure that all managers and staff are debriefed on the process and outcome of the investigation. There will further be a follow-up with the individual(s) who reported the initial suspicion of fraud, to provide assurance that their claims have been taken seriously.

In addition, Save Youth Future Society will conduct a thorough review of operating procedures in the areas affected by the fraud and make improvements where necessary. Lessons learned will be disseminated throughout the organization, where applicable, to strengthen the system of internal control and to foster an anti-fraud culture.

Disciplinary Action

Where an investigation reveals that a Save Youth Future Society Staff Member has committed fraud, the organization will pursue disciplinary or legal action. Disciplinary action for fraud or corruption, unless prevented by local legal restrictions, will result in immediate termination of employment and for partners' immediate termination or suspension of the Grant or contract.

Disciplinary action could also be brought against supervisors whose failures have contributed to the commission of fraud/corruption or a Staff Member deliberately making an allegation in bad faith.