

HAI Anti-Fraud, Bribery and Corruption Policy

1.1 Introduction:

Humanitarian Aid International (HAI) is committed to maintaining the highest standards of integrity, transparency, and accountability in all its operations. This policy outlines the organisation's commitment to preventing, identifying, and addressing fraud, bribery, corruption, and money laundering, ensuring that HAI's funds and resources are used solely for their intended purposes. HAI's stance on fraud and corruption reflects its adherence to national and international laws, including the Prevention of Corruption Act, the Prevention of Money Laundering Act, 2002 (PMLA), and applicable UN conventions. This policy applies to all individuals associated with HAI and is part of the organisation's broader risk management strategy.

HAI has a 'zero tolerance' stance towards fraud, bribery and corruption. It will always seek to investigate and take appropriate action, including but not limited to, disciplinary and/or legal action against those found to have perpetrated fraud and other acts involving dishonesty.

HAI is committed to developing an anti-fraud culture and to keeping the opportunities for fraud, bribery and corruption to the absolute minimum. HAI will assess the risks of fraud, bribery and corruption, establish processes and controls to minimise these risks and it will regularly review the effectiveness of its control systems.

HAI requires all staff and Trustees to report immediately any incidents or suspicions of fraud, bribery or corruption to an appropriate manager. HAI will not penalise anyone for raising a concern in good faith. HAI will take all reports of fraud, bribery and corruption seriously and investigate them proportionately and appropriately. HAI requires all those receiving company funds or representing the company, including its suppliers, grant recipients, partners, contractors, volunteers and agents, to act in accordance with this policy. This includes reporting to HAI any suspected or actual instances of fraud, bribery or corruption involving the company's assets, its staff or its Trustees.

1.2. Aim

The aim of this policy is to:

- Provide clear guidelines for preventing, detecting, and responding to incidents of fraud, bribery, corruption, and money laundering.
- Safeguard HAI's financial and reputational integrity by ensuring that all funds are used in line with the organisation's mission.
- Ensure compliance with national and international anti-corruption, anti-bribery, and anti-money laundering laws.

1.3. Scope

This policy applies to all HAI employees, volunteers, board members, consultants, contractors, partners, and any other entities affiliated with HAI. It covers all financial and non-financial transactions, fundraising efforts, and programme implementation both domestically and

internationally.

1.4. Objectives

- To prevent and detect fraud, bribery, and corruption in all areas of HAI's operations.
- To ensure that all HAI employees and partners act with integrity and in full compliance with applicable anti-fraud, bribery, and corruption laws.
- To establish procedures for reporting, investigating, and responding to suspicious activities.
- To promote a culture of honesty and ethical behaviour in the organisation.
- To comply with anti-money laundering laws and prevent HAI's resources from being used for illicit purposes.

1.5. Definitions

- **Fraud:** Any intentional act, omission or misrepresentation designed to deceive others, resulting in financial or personal gain at the expense of HAI.
- **Bribery:** The offering, giving, receiving, or soliciting of any item of value as a means of influencing the actions of an individual or entity in a position of power or authority.
- **Corruption:** The abuse of entrusted power for private gain, including acts such as embezzlement, nepotism, and favouritism.
- **Money Laundering:** The process of disguising the origins of illegally obtained money, often through complex financial transactions to make it appear legitimate.
- **Suspicious Transaction:** Any transaction that deviates from normal financial practices, raising concerns about its legitimacy or intent.
- **Complaints Officer:** The Designated Complaints Officer is the HAI HR & Compliance Officer or another assigned individual responsible for:
 - Receiving, investigating, and resolving complaints.
 - Ensuring complaints are acknowledged and handled in a timely and impartial manner.
 - Reporting complaints to the CEO or Board as appropriate.

1.6. Procedures

- **Identification of Risks**
HAI will conduct regular risk assessments to identify vulnerabilities to fraud, bribery, corruption, and money laundering within its operations. This includes vetting employees, reviewing financial transactions, and ensuring compliance with legal and ethical standards.
- **Fraud Prevention and Control Measures**
HAI will implement strong internal controls, including segregation of duties, transparent financial reporting, and strict oversight of programme activities to minimise the risk of fraud. This includes regular audits and reviews to identify and address any gaps in the system.
- **Bribery and Corruption Prevention**
HAI enforces a zero-tolerance policy for bribery and corruption. Any offer, promise, or acceptance

of bribes is strictly prohibited. All employees must immediately report any attempt to solicit or offer bribes.

- ***Anti-Money Laundering (AML) Measures***

HAI will implement strict measures to detect and prevent money laundering, including due diligence procedures for large donations and monitoring financial transactions for any suspicious activity. All parties engaging with HAI will be vetted to ensure compliance with AML regulations.

- ***Reporting Mechanism***

Any staff member, volunteer, or partner who suspects fraud, bribery, corruption, or money laundering must report it immediately to the designated Complaints officer. An anonymous complaint can be made at complaints@hai-india.org. Reports must include details of the suspicious activity and any supporting documentation. Reports can be made confidentially, and whistleblowers will be protected from retaliation as per HAI's Whistleblower Protection Policy.

HAI is committed to protecting the identity of the whistleblower or informant and maintaining strict confidentiality throughout the reporting and investigation process. No person will be penalised or exposed for raising concerns in good faith.

1.7. Confidentiality

- Reports can be made confidentially, and whistleblowers will be protected from retaliation.
- HAI is committed to protecting the identity of the whistleblower or informant and maintaining strict confidentiality throughout the reporting and investigation process. No person will be penalized or exposed for raising concerns in good faith.
- HAI ensures whistleblower protection through the following key measures managed by the HR and Compliance Officer.
- Secure and Confidential Reporting: Establish secure channels for reporting, ensuring that whistleblower identities remain confidential and accessible only to authorized personnel.
- Anti-Retaliation Protections: Strictly prohibit retaliation, harassment, or discrimination against whistleblowers, with immediate disciplinary action for violations.
- Discreet Investigations: Conduct impartial investigations while disclosing whistleblower identities only if legally mandated or with explicit consent.

1.8. Complaint Review Process

- ***Receipt of Complaint:***

Upon receiving the complaint, the **HAI Complaints Officer** or the appointed person must acknowledge it within **48 hours** and ensure it is recorded.

- ***Initial Review:***

The complaint will be reviewed by the **Complaints Officer** for further action, including determining the need for a formal investigation.

- ***Escalation Clause:***

- If the complaint involves the Complaints Officer or poses a conflict of interest, the matter will be escalated to an **Internal Committee**, comprising senior representatives from the board of trustees, management, and independent advisors.
 - The board of trustees will be informed of the complaint within **14 days** of its receipt and kept updated on the investigation and resolution process.
- **Investigation Process**
Upon receiving a report, the Complaints Officer will initiate a formal investigation. This will include gathering evidence, interviewing involved parties, and determining the scope and impact of the fraudulent or illicit activity. The investigation will be conducted transparently and in line with legal requirements. External authorities may be involved when necessary. Investigations will be conducted transparently, with a target to conclude within 30-60 days.
 - **Corrective Actions**
If fraud, bribery, corruption, or money laundering is confirmed, immediate steps will be taken to rectify the situation. This may include terminating partnerships, freezing funds, or taking legal action against individuals or entities involved. Disciplinary actions will be enforced on HAI employees who are found complicit, including dismissal.

1.9. Responsibilities

- a) **Employees:** Employees are expected to adhere to a code of conduct that prohibits fraudulent and corrupt practices. Employees must notify their supervisor or the organisation's compliance officer of any suspicions of fraudulent or corrupt activities.
- b) **Management:** Management is responsible for ensuring that appropriate procedures are in place to prevent fraudulent and corrupt practices. Management must ensure that employees are trained on the policy and its implementation

1.10. Violations of Policy

Any violation of this policy by HAI employees, volunteers, or partners will result in immediate disciplinary action, up to and including termination of employment or partnerships. Severe violations, including confirmed cases of fraud, bribery, corruption, or money laundering, will be reported to the relevant authorities for legal action.

1.11. Dissemination of the Policy

- The policy will be shared with all employees, volunteers, board members, consultants, and partners.
- Copies will be included in employee handbooks, onboarding documents, and partner agreements.
- The policy will be made accessible on the organisation's intranet and website for transparency.

1.12. Staff Training and Awareness

- Regular training sessions will be conducted for all staff and stakeholders on:
 - Identifying fraud, bribery, and corruption.

- Understanding reporting mechanisms and responsibilities.
- Maintaining compliance with the policy and relevant laws.
- Case studies and real-life examples will be used to reinforce learning.

1.13. Board Notification

- The board must be notified of any complaint within **14 days of receipt**, with updates on actions taken and the resolution process.
- The Complaints Officer will be responsible for notifying the Board of any complaint within 14 days of its receipt. They will provide detailed updates on the actions taken, the progress of the resolution process, and any outcomes as the investigation proceeds.

1.14. Reviews and Amendments

This policy will be reviewed annually to ensure its relevance, effectiveness, and compliance with evolving legal frameworks and organisational risks. Amendments will be made based on the results of internal audits, investigations, or new legal requirements.

This policy consolidates HAI’s commitment to preventing and addressing fraud, bribery, corruption, and money laundering, ensuring that all individuals associated with the organisation uphold the highest standards of integrity.

Policy Review and Finalization

- Date of Last Review: 26 December 2024
- Date of Finalization: 26 December 2024
- Reviewed and Approved By: Programme Committee – HAI Board
- Next Review Date: 01 April 2025

Declaration

This Anti-Fraud, Bribery, and Corruption Policy was adopted by HAI's Board of Directors on [Date]. All board members, employees, and partners have read and understood the policy and commit to adhering to its terms.

Signature: Board Chairperson: _____

Date: _____