



Anti-Fraud & Corruption Policy 2018

Organization for Promotion of Health and Community Development

OPHCD

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1. About OPHCD

Introduction and Legal Status

Organization for Promotion of Health & Community Development (OPHCD) is a non-government, non-profit, non-political, impartial and independent organization registered with:

- The NGOs Department of the Ministry of Economy of the Government of Islamic Republic of Afghanistan with license No 4160

The organization established to serve the community and advocate for better coordinating and directing the available resources and activities for provision of quality services to the communities with an equitable manner. OPHCD, as a non-governmental organization committed for a joint mission with having dedicated and expert staff in public health, Water Sanitation and Hygiene, education, community development as well as volunteers who have been working in technical and managerial positions with national and international NGOs since more than one and half decade.

The members of the Board of Directors, senior Management Team (SMT) as well as the volunteers of the organization having appropriate experience, dedication and voluntarism which is a professional contribution to the health, education and development sector for achieving of more sustainable results. The core staff of OPHCD have more than one and half decade of successful experience of being directly involved in developing different policies and strategies as well as designing and implementation of projects in the areas of health, WASH, education and community development sectors such as; Primary Health care (PHC), Basic Package of Health Services (BPHS), Essential Package of Health Services (EPHS), Water & Sanitation and Hygiene, Primary education and Literacy programs, youth awareness and development, Public Nutrition, emergency preparedness and response and disaster risk reduction, trainings and coordination of different humanitarian Aids. Furthermore, the SMT and core Technical, Administration and Finance staff of the organization have up to date knowledge and rich experience of Grant Management, Project Management as well as conducting professional tasks of supportive Supervision, Monitoring, Evaluation, and Researches. Likewise, developing and on-time reporting (monthly, quarterly, annual, end of project and ad-hoc reports) to the donors and stakeholders, presenting the results of the aforementioned programs at the community, organizational, national and international levels are the expertise of the organization's technical and administrative staff.

Vision

An empowered society with sustainable and self-reliant health, and social and economic stability at the community level.



Mission Statement

OPHCD, as a non-governmental organization is striving for the well-being of the society with the promotion of health and sustainable development of the communities through advocating for better coordination and directing the national policies and strategies as well as available resources and activities for the provision of quality health, educational, social safety, human right and social welfare, economic, environmental and development services to the communities with the focus on the women and children, drugs users, IDPs and another marginalized group of the society with an equitable manner.

1. Objectives

The primary objective of the Anti-Fraud Policy is to prevent fraud, maintain integrity in the Partnership's business dealings, and establish procedures and protections that allow employees of the Partnership and members of the public to act on suspected fraud or corruption with potentially adverse ramifications and to achieve the legitimate business objectives of the Partnership for the benefit of its unit holders.

2. Definition

In the broadest sense, fraud can encompass any crime for gain that uses deception as its principal method of operation. More precisely, fraud is defined as: "A knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment". Indicatively, for the purpose of this document, fraud may involve:

- Manipulation, falsification or alteration of accounting records or documents;
- Suppression or omission of the effects of transactions from records or documents;
- Recording of transactions without substance;
- Misappropriation (theft) or willful destruction or loss of assets including cash;
- Deliberate misapplication of accounting or other regulations or policies;
- Bribery and corruption;
- Usurpation of corporate interests for personal gain;
- Payment or receipts of bribes, kickbacks or other inappropriate payments;
- Participation in sham or fraudulent transactions; and
- Disclosing confidential and proprietary information to outside parties

There is no set monetary threshold that defines a fraud. There is no need for the fraud to be successful to be viewed as corrupt; the offering can be enough to amount to a criminal offense in certain jurisdictions. These principles apply equally in any country in which the Company operates or carries on business.

3. Prevention and Control of Fraud & Corruption.

Management shall advocate and develop a corporate culture of honesty and integrity, establish controls and procedures designed to eliminate the likelihood of fraud and to receive, investigate, report and recommend a remedial course of action in respect to suspected or voiced concerns of fraud or fraudulent behavior. More specifically:

1. Management shall lead by example in complying with the Partnership's rules and regulations, including this Anti-Fraud Policy;
2. Management shall notify Personnel of the opportunity and procedures for anonymously reporting wrongdoings and dishonest behavior through the established whistle-blower policy and the channels of communication defined thereto;
3. In connection with the annual risk assessment process, management shall identify and assess the importance and possibility of fraud risk at entity level, at business department level and at process level;
4. Management shall establish procedures to reduce the potential occurrence of fraud through protective approval, segregation of duties and periodic compliance reviews. For those risk areas of fraud occurrence, such as inaccurate financial reporting, exceeded authorization, and information systems, management shall establish necessary internal control activities.

In terms of establishing and maintaining effective controls it is generally desirable that:

- Wherever possible, there must be a separation of duties so that control of a key function is not vested in one individual;
- Back-logs should not be allowed to accumulate; and
- Whenever designing any new system, consideration must be given to building in safeguards.

The management is responsible for establishing and maintaining a sound system of internal controls that supports the achievement of Partnership's aims and objectives. The system of internal controls is designed to respond to the fraud risks that the OPHCD faces. The system of internal controls is based on an on-going process designed to identify the principal fraud risks, to evaluate the nature and extent of those risks and to manage them effectively by:

- Establishing appropriate mechanisms for reporting fraud risk issues and significant incidents of fraud;
- Making sure that all staff is aware of the OPHCD's anti-fraud policy and understand what their responsibilities are in relation to combating fraud;
- Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected;
- Ensuring that appropriate legal and/or disciplinary action is taken against perpetrators of fraud;
- Ensuring that appropriate action is taken to minimize the risk of similar frauds occurring in future

The Internal Audit function is responsible for the following:

- Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of controls commensurate with the extent of the potential exposure/risk in the various activities of the department's operations.
- Ensuring that management has reviewed its risk exposure and identified the possibility of fraud as a business risk;
- Assisting management in conducting fraud investigations.

Each employee is responsible for the following:

- Acting with propriety in the use of OPHCD's resources and the handling and use of OPHCD funds whether they are involved with cash or payments, receipts or dealing with suppliers. Staff should not accept gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their integrity;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events; and
- Co-operating fully with whoever is conducting internal checks, reviews or fraud investigations.

4. Prohibited Actions

- No OPHCD Personnel or any Third-Party Associate shall directly or indirectly, give, offer, promise, request or approve a payment of Anything of Value or any other advantage to a Government Official, in order to influence any act or decision of the Government Official in their official capacity for the purpose of obtaining or retaining business for or with OPHCD, or securing any improper business advantage;
- No OPHCD Personnel or any Third-Party Associate shall directly or indirectly, give, offer, promise, request or approve a payment of Anything of Value or any other advantage to a Commercial Party, in order to obtain or retain business for the Partnership or any improper commercial advantage or benefit for OPHCD;
- No OPHCD Personnel or any Third-Party Associate shall directly or indirectly, give, offer, promise, request or approve a payment in circumstances where they have any reason to suspect that any portion of that payment will be used for any of the purposes described above;
- No OPHCD Personnel or any Third-Party Associate shall

directly or indirectly, receive or agree to receive Anything of Value or other advantage that may reasonably be regarded as a bribe.

The prohibition on bribery applies to the giving of anything of value, not only money. This includes providing business opportunities, favorable contracts, gifts and entertainment.

5. Facilitating Payments

Facilitating payments are modest payments made for the purpose of expediting or facilitating the provision of services or routine non-discretionary government action which a Government Official is normally obliged to perform. Making facilitating payments of any kind are not permitted under this Policy, unless the prior written approval has been received.

Where such approval is granted, the General Director must inform the appropriate supervisor, who must ensure that the payment is accurately recorded in OPHCD's relevant books and records, and that all supporting documentation, including the written approval, is retained in the appropriate files.

6. Business Hospitality, Travel, Meals and Gifts

This Policy allows certain exceptions to the OPHCD's general anti-fraud principles when paying for entertainment, meals, travel or a gift for a Government Official and/or a Commercial Party. Expenses of this kind are permitted if they are of modest value, reasonable, a matter of simple common courtesy under local custom, incidental to conducting legitimate and bona fide business, building business relationships or showing appreciation, and not used with the aim of exerting improper influence, or the expectation of reciprocity, and always provided that any such expenses payment does not contravene the anti-fraud policy of any Commercial Party involved.

Before offering or receiving any gift and/or entertainment to/from a third party, employees should consider whether it is necessary for them to obtain appropriate management approval and/or approval from the departmental supervisor. It is vital to avoid even the appearance of improper conduct with any Government Official and/or Commercial Party, and if in doubt, please seek guidance to the departmental supervisor or avoid making any such payment.

7. Third Parties

OPHCD prohibits corrupt payments made directly by OPHCD's Personnel or indirectly through an agent or other intermediary such as a consultant acting for or on behalf of the OPHCD. This is unlawful to make a payment of anything of value to any person, knowing that all or any portion of the payment will be offered, given or promised to a government official or any other person for a corrupt purpose. The term "knowing" includes conscious disregard, deliberate ignorance, and willful blindness. Accordingly, the most important step that OPHCD can take to protect itself from liability for improper payments made by third parties is to choose carefully its business partners, including agents and consultants.

The U.S. Justice Department has identified certain circumstances that may suggest reason to know of an illegal payment made by an intermediary. These “red flags” warrant further investigation when selecting or working with a third party. The following are examples of red flags:

- The transaction involves a country known for corrupt payments;
- The Third Party has a close family, personal or professional relationship to a government official or relative of an official;
- The Third-Party objects to anti-corruption representations in Partnership agreements;
- The Third-Party requests unusual contract terms or payment arrangements that raise local law issues, such as a payment in cash, payment in another country’s currency, or payment in a third country;
- The Third Party is suggested by a government official, particularly one with discretionary authority over the business at issue;
- The Third Party’s commission or fee exceeds fair and reasonable compensation for the work to be performed.

In all cases, whether or not any of these red flags are present, consult and seek approval from the General Director of OPHCD before entering into any arrangement with a Third Party which will have contact with a government official on behalf of the Partnership.

Due Diligence

OPHCD should never enter into any relationship with a Third Party which will have substantive interaction with government officials on behalf of the Partnership without an inquiry into the third party’s background, qualifications and reputation.

Any issues raised during this due diligence review must be addressed to the satisfaction of the Partnership prior to entering the relationship. The amount of time and effort required for due diligence will depend on the number and complexity of issues raised during the review process.

Management should inform and seek approval from the Partnership’s Conflicts Committee once they have identified a third party that will have substantive interaction with government officials on the Partnership’s behalf.

8. Reporting of Fraud and Case Management

Any employee (full time, or employees appointed on temporary/ contract basis), representative of vendors, suppliers, contractors, consultants, service providers or any other agency(ies) doing any type of business with OPHCD as soon as he / she comes to know of any fraud or suspected fraud or any other fraudulent activity must report such incident(s).

The reporting of the fraud normally should be in writing. In case the reporter is not willing to furnish a written statement of fraud but is in a position to give sequential and specific transaction of fraud/suspected fraud, then the person receiving the information should record such details in writing as narrated by the reporter and also maintain the details about the identity of the official /employee / other person reporting such incident. Reports can be made in confidence and the person to whom the fraud or suspected fraud has been reported must maintain the confidentiality with respect to the reporter and such matter should

under no circumstances be discussed with any unauthorized person.

All reports of fraud or suspected fraud shall be handled with utmost speed, failing to take relevant and timely action may lead to significance loss and damage to the OPHCD.

The person receiving input about any suspected fraud shall ensure that all relevant records documents and other evidence is being immediately taken into custody and being protected from being tampered with, destroyed or removed by suspected offenders of fraud or by any other official under his influence. Appendix 00-1..Policies Update 2024\Appendix-1-Fraud Risk Register & Action Plan template.docx

9. Responsive Actions

Any OPHCD Personnel who breaches the Policy may be subject to disciplinary action by the OPHCD, up to and including termination of their contract of employment. The investigations will also consider whether there has been any failure of supervision. Where this has occurred, appropriate disciplinary action will be taken against those responsible.

10. Review of Policy

The General Director and the Internal Audit is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed and revised as needed.

11. Terms and Definitions

“Anything of Value” should be broadly construed, and includes not only cash or cash equivalents, but also entertainment, meals, drinks, travel, lodging, gifts, discounts, use of materials, facilities or equipment, investment opportunities, insurance benefits, political or charitable contributions, the promise of future employment and/or any other financial advantage. In determining whether Anything of Value has been provided, the key consideration will be the subjective value of that being conveyed, together with the recipient’s perception of it.

“Bribe” means giving or offering to give anything of value to a government official to influence a discretionary decision. Local law may, impose a broader definition in some jurisdictions.

“Commercial Party” should be broadly construed, and includes a director, officer, employee, agent or broker of a customer, supplier, vendor or competitor, (or of potential customers, suppliers, vendors, or competitors) or any other person with whom the Partnership or/and the Manager conducts, or may conduct business and who does not act on behalf of OPHCD or/and the Manager.

“Facilitating Payment” means small payments paid to government officials to expedite or facilitate non-discretionary actions or services, such as obtaining an ordinary license or business permit, processing government papers such as visas, providing police protection, providing telephone, power or water service, or loading or unloading of cargo.

“Government Official” should be broadly construed, and includes:

- a) any employee or officer of:

Any government or government’s department, agency (such as customs,

immigration, tax, licensing, permitting, government-owned ports and representatives of government-owned entities, such as national oil companies and their affiliates) or branch;

- any public international organization;
 - any government-owned or controlled commercial enterprise;
- b) members of royal families; and
- c) Any political party, party official or candidate for political office; and any other person acting in an official capacity on behalf of any of the foregoing. A person does not cease to be a Government Official by purporting to act in a private capacity or by the fact that they serve unpaid.

12. Change control history

Version No:	Approval date:	Approved by:	Change:
001	Jan,2021	Board of Trustee General Director	
001	Jan,2024	Board of Trustee General Director	

Signature..... Date.....

Approved:

After the review of the policy, on behalf of the OPHCD Board of Trustees, the said manual is hereby approved and ready to be implemented henceforth.

Reviewed and approved by: Board of Trustees member

