

Anti-Fraud Policy

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IRAQ

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1. Permeable

ASB has zero tolerance for fraud and corruption, meaning that ASB staff members, non-staff personnel, vendors, implementing partners and responsible parties are not to engage in fraud or corruption. All incidents of fraud and corruption are to be reported, and will be assessed and, as appropriate, investigated in accordance with the Investigation or Addressing Non-compliance with ASB Standards of Conduct.

ASB will pursue rigorously disciplinary and other actions against perpetrators of fraud, including recovery of financial loss suffered by ASB.

ASB is committed to preventing, identifying and addressing all acts of fraud and corruption against ASB, through raising awareness of fraud risks, implementing controls aimed at preventing and detecting fraud and corruption, and enforcing this Policy.

2. Scope and Application

This Policy applies to all activities and operations of ASB, including projects and programs funded by ASB as well as those implemented by ASB.

This Policy aims to prevent, detect and address acts of fraud and corruption involving:

1. Staff members
2. Non-staff personnel, including Service Contract holders, Individual Contractors.
3. Vendors, including actual or potential contractors and suppliers of goods and services.
4. Implementing partners and responsible parties engaged/contracted by ASB.

3. Definition of fraud and corruption

Fraud is a knowing misrepresentation of the truth or a concealment of a material fact to induce another to act to his or her detriment.

Corruption is the act of doing something with an intent to give an advantage inappropriate with official duties to obtain a benefit, to harm or to influence improperly the actions of another party.

Actions taken to instigate, aid, abet, attempt, conspire or cooperate in a fraudulent or corrupt act, also constitute fraud or corruption. Examples of fraud and corruption include, but are not limited to, the following actions:

1. Forging documents, preparing false entries in ASB systems or making false statements to obtain a financial or other benefit for oneself or another/others; through the instructions on fraud and corruption issued within standard bidding documents and their signed bid submission.
2. Collusion or other anti-competitive scheme between suppliers during a procurement process;

3. Providing information in relation to a medical insurance claim or another entitlement that the claimant knows to be false;
4. Forging the signature of a ASB staff member or forging a document purporting to be from ASB to induce a party outside ASB to act;
5. Using another's IT identity or password, or creating false identities/passwords, without consent or authority to manipulate ASB processes or cause the approval or denial of actions;
6. Accepting hospitality such as meals or entertainment from a vendor;
7. Misrepresenting ASB employment status to obtain a benefit from a government or private sector entity;
8. Failing to disclose a financial or familial interest in a business or outside party while participate in the award/management of a contract to the benefit of that business or outside party;
9. Processing the cost of personal travel as part of an official travel;
10. Making misrepresentations, including educational credentials or professional qualifications, on a personal history form in the context of a job application; and

4. Fraud prevention measures

4.1. Fraud awareness

Staff members, non-staff personnel, vendors, implementing partners and responsible parties must be aware of their responsibility to prevent fraud and corruption. In this regard, managers are to raise awareness of this Policy, and reiterate the duty of all staff members to report instances of fraud and corruption, as required by the ASB Legal Framework. Managers are also required to make non-staff personnel, vendors, implementing partners and responsible parties contracted/engaged by their respective offices aware of this Policy.

Vendors, including non-governmental organizations (NGOs) and civil society organizations (CSOs), are made aware of and accept that they are subject to the ASB Vendor Sanction Procedures, through the instructions on fraud and corruption issued within standard bidding documents and their signed bid submission.

4.2. Building fraud prevention into program and project design

When developing a new program or project, it is important to ensure that fraud risks are fully considered in the program/project design and processes. This is especially important for high risk programs/projects, such as those that are complex or operate in high risk environments.

These programs/project risk logs shall be communicated to relevant stakeholders, including donors, implementing partners and responsible parties, together with an assessment of the extent to which risks can be mitigated.

Programs and Project Managers are responsible for ensuring that the risk of fraud and corruption is identified during the program/project design phase. They are to consider how easily fraudulent acts might occur and be replicated in the day-to-day operations. They are also to evaluate their impact, and the effectiveness of the measures taken to mitigate risks, including systemic monitoring actions. Informed decisions can then be made on additional mitigating actions.

4.3. Management of the risk of fraud and corruption

The risk of fraud and corruption is assessed and managed in accordance with ASB Risk Management Framework. Managers shall identify and assess the risks in their program or project areas, including the risk of fraud and corruption, and apply mitigating measures, taking due account of the level of risk involved. Because it is impossible to eliminate all risks, good risk management requires a sound balance of the following aspects: assessment, mitigation, transfer or acceptance of risks. These risks shall be communicated to relevant stakeholders, together with an assessment of the extent to which risks can be mitigated.

Managers shall be vigilant in monitoring irregularities and the risk of fraud.

4.4. Fraud risk assessment

Where a high risk of fraud has been identified within the general risk assessment of programs/projects, an additional and specific fraud risk assessment may be necessary. This in depth assessment should be used to better identify fraud risks and develop effective measures that address these high risks. The aim is to help management to identify and evaluate areas of the program/project that are most susceptible to fraud, and prioritize where ASB should focus its resources for fraud prevention and mitigation. These fraud prevention and mitigation measures should be monitored for effectiveness over time, and the fraud risk assessment process may be repeated periodically utilizing lessons learned, especially for longer-duration programs/projects or where material changes are made to the design of the program/project during its implementation.

4.5. Internal control system

A strong internal control system, where policies and procedures are enforced, internal controls are appropriately implemented, and staff members, non-staff personnel, vendors, implementing partners and responsible parties are informed about fraud and corruption and its consequences, can curtail fraud and corruption.

Where managers have identified and assessed the risk of fraud and corruption, these risks can be managed by establishing practices and controls to mitigate the risks, by accepting the risks — but monitoring actual exposure — or by designing ongoing or specific fraud evaluation procedures to deal with individual fraud risks.

4.6. Integrity and other best practices

Best practices with respect to knowing staff members, non-staff personnel, vendors, implementing partners and responsible parties, must be followed by ASB staff, especially business unit managers and other hiring/contracting officials.

Integrity is a paramount consideration in the recruitment of staff members and the contracting of non-staff personnel. In this context, ASB hiring should ensure that the Organization is recruiting/contracting individuals that meet the standards of conduct expected of staff members and non-staff personnel. This can be achieved, for instance, by using specific interview assessment tools for integrity, professional experience and academic checks.

Additionally, with respect to the hiring staff members, the hiring unit has the duty to enquire about the candidates' possible existence of family relationships and to ensure that the job candidates are aware of and declare any family or spousal relationships.

ASB requires all of its vendors to be qualified, as well as be eligible. ASB shall not award a

contract to any vendor, including NGOs or CSOs (as are a responsible party, implementing partner or as a vendor), that has been debarred by ASB.

4.7. Application and adherence to standards and codes of conduct

Standards and codes of conduct have been established for staff members and non-staff personnel.

In addition, contracts issued to non-staff personnel and vendors stipulate requirements with respect to such non-staff personnel's and vendors' actions in the context of their contractual relationship with ASB. The observance of such standards of conduct and contractual obligations deters fraud and encourages the highest standards of professional behavior.

ASB staff members must be guided by the standards of conduct prescribed in the ASB Code of Conduct, Managers must ensure that all staff members take the mandatory Ethics Training. Similarly, high standards of conduct are expected of Service Contractors and Individual Contractors as required by the General Conditions of Contract for the Service of Individual Contractors.

Similarly, vendors, as well as NGOs and CSOs participating in a procurement process, accept to abide by the ASB Code of Conduct. They are required to actively ensure that their management processes and business operations align with ASB principles, including, but not limited to its standards of ethical conduct regarding fraud and corruption, conflict of interest, gifts and hospitality, and post-employment restrictions. They are required to report any instances of wrongdoing.

5. Roles and responsibilities

All staff members and non-staff personnel have critical roles and responsibilities in ensuring that fraud is prevented, detected and dealt with promptly. They are responsible for safeguarding resources entrusted to ASB and for upholding and protecting its reputation. Similarly, all ASB vendors, implementing partners and responsible parties shall be held to the highest ethical standards, and should report to ASB any acts of fraud and corruption.

5.1. Staff Members and Non-Staff Personnel

Staff members and non-staff personnel must understand their roles and responsibilities, and how their job functions and procedures are designed to manage fraud risks, and how non-compliance may create an opportunity for fraud to occur or go undetected. Staff members have the obligation to complete all mandatory ASB trainings, and to keep themselves informed of new policies, and report immediately any evidence of practices that indicate fraud or corruption may have occurred.

Fraud and corruption, if committed by a staff member, constitutes misconduct for which a disciplinary measure may be imposed, including dismissal, in accordance with the ASB Framework. Similarly, fraud and corruption by non-staff personnel is not tolerated in accordance with ASB's zero tolerance policy. Contracts must be terminated where non-staff personnel's involvement in proscribed practices is established. In both instances, the allegations of fraud and corruption may be referred to national authorities for criminal investigation and prosecution of those involved.

Additionally, managers are expected to act as role models and through their actions and behaviors set the tone for the rest of the Organization. They should foster a culture of zero

tolerance for fraud and corruption, and ensure that any practices not aligned with this Policy are dealt with expeditiously. They are required to go beyond compliance with relevant corporate policies and procedures and to take proactive steps to prevent and identify potential fraud and corruption. In particular, managers are expected to:

- Perform risk assessments to identify potential fraud risks to which their assets, programs, activities, and interests are exposed;
- Assess the identified risks, select risk-avoidance options, design and implement cost effective prevention, mitigation and control measures;
- Establish/implement measures to prevent the recurrence of fraud;
- Monitor and supervise the performance, working methods and outputs of their staff to ensure that staff is conducting themselves in ways that meet the most ethical and professional standards; and Seek guidance where necessary from the ASB Headquarters.
- Managers who fail to take appropriate action or who tolerate or condone fraudulent activities or corruption will be held accountable.

5.2. Vendors

Actual and potential ASB vendors and their employees, personnel and agents, have the duty to interact honestly and with integrity in the provision of goods and services to ASB, and to report immediately allegations of fraud and corruption to ASB. Vendors shall be encouraged to establish robust policies and procedures to combat fraud and corrupt practices, and are to cooperate with ASB auditors and investigators. Whenever a NGO or CSO acts as a ASB implementing partner or a responsible party, they have the duty to ensure that those funds are safeguarded and used for their intended purposes, as authorized by ASB.

When allegations concerning possible involvement in fraud or corruption are deemed substantiated, ASB shall take any administrative actions available to it, including but not limited to Vendor Sanctions Procedures, and shall seek to recover fully any financial loss. In addition, ASB may terminate contracts, and may refer appropriate cases to national authorities for criminal investigation and prosecution, when applicable.

ASB has a zero tolerance policy towards the acceptance of any gift or any offer of hospitality from vendors. ASB staff will not accept any invitations to sporting or cultural events, offers of holidays or other recreational trips, transportation, or invitations to lunches or dinners. ASB vendors shall not offer any benefit such as free goods or services, employment or sales opportunity to a ASB staff member in order to facilitate the suppliers' business with ASB.

Post-employment restrictions apply to ASB staff in service and former ASB staff members who participated in the procurement process, if such persons had prior professional dealings with suppliers. ASB suppliers are to refrain from offering employment to any such person for a period of at least one year following separation from service.

5.3. Governmental Implementing Partners

In cases where the government is the implementing partner, the governmental implementing partners must take appropriate steps to prevent fraud and corruption, and ensure that anti-fraud and corruption policies are in place and applied to ASB projects or programs that receive funding from ASB. All credible allegations of fraud and corruption in connection with the implementation of activities funded by ASB will be investigated by the appropriate governmental authorities.

Where the governmental implementing partner becomes aware that ASB has provided or is to provide funds to an activity or an entity that is the focus of an investigation for alleged fraud/corruption, the governmental implementing partner will (i) promptly advise ASB of its investigations; and (ii) cooperate and provide ASB confidentially regular updates on the status of investigations. In cases where funds have already been provided by ASB, the governmental implementing partner will make every effort to recover all funds that it determines were diverted through fraud, corruption or other financial irregularities, and return any recovered funds to ASB.

Consistent with ASB's standard practices, when a contract is to be issued by the governmental implementing partner in connection with expenses of the ASB funds, that contract shall include clauses that ensure that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that they shall cooperate with investigations.

6. Audit and Investigations

ASB will consider fraud and corruption red flags and risk factors in audit planning and reporting, consistent with applicable auditing standards.

7. The Vendor Review Committee

Vendors, including NGOs and CSOs, are subject to the Vendor Review Committee (VRC). The VRC is an internal body tasked with making recommendations on vendor sanctions, including with?

respect to vendors' continued eligibility to do business with ASB. If the VRC finds that a vendor has been involved in proscribed practices, it can recommend sanctions, including debarment.

8. Reporting fraud

Anyone with information regarding fraud or other corrupt practices against ASB or involving ASB staff, non-staff personnel, vendors, implementing partners and responsible parties, is strongly encouraged to report this information through the email or complain box at the door of ASB office.

Countryrep@asb-me-org

07511893480: send a message and we will call you.

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