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**Theft, Fraud,
Corruption, and
Non-Compliant
Activities Policy**

Approved : December 28, 2020

Participatory Research Action Network- PRAAN
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About Participatory Research Action Network- PRAAN

Evolution: Participatory Research Action network- PRAAN is a non-profit and non-political organization that has been working for strengthening people's initiative to promote and ensure human rights, economic rights, gender equality, promotion of a culture of peace and non-violence, climate resilience, governance, trade justice, rural livelihood global citizenship, and appreciation of cultural diversity for sustainable development in the local level.

Legal Entity: PRAAN registered under the Registrar of Joint Stock Companies and Firms (RJSC) and Ministry of Social Welfare of the Government of Bangladesh.

Beneficiaries: The organization works intensively with youth, women, poor and marginal community, marginal, and underprivileged biodiversity dependent people i.e. forest people, indigenous communities, marginal farmers, fisher communities, and climate-vulnerable people.

Vision: PRAAN envisions a poverty-free pluralist society based on knowledge and technology where everyone's basic needs, rights, and information are ensured.

Mission: Work to fight poverty through participatory action research activities followed by social actions to eradicate poverty, lack of knowledge, and Injustice.

General Committee: The General Committee of 21 members is the supreme authority of PRAAN. This Committee elects the Executive Committee.

Executive Committee: PRAAN Executive Committee consists of 7 members who are elected by the General Committee. The Executive Committee members meet at a regular interval to oversee organizational performance.

Working Area: PRAAN works in Noakhali and Laksmipur for piloting projects and laboratory works, and the whole of the country for advocacy and campaign activities.

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Section 02 : Introduction to the Theft, Fraud, Corruption, and Non-Compliant Activities Policy

2.1 : Title of the Policy

This Policy shall be named as "Theft, Fraud, Corruption, and Non-Compliant Activities Policy" of PRAAN.

2.2 : Objectives of the Policy

PRAAN is committed to providing resources to foster integrity in the organization and is opposed to all forms of theft, fraud, corruption, and non-compliant activities. This policy will cover all offices including the Head Office, all branches, program-project offices of PRAAN. This Policy communicates to all PRAAN employees and persons associated with the organization:

1. To uphold the principles and perspective regarding theft, fraud, corruption and non-compliant activities and ensure honesty and morality in all activities of PRAAN. The organization practices Zero Tolerance regarding corruption and it has strong position against corruption.
2. To proceed to assist with detection and reporting of matters applicable; and commitment to independently investigate and promptly resolve all matters.
3. PRAAN respects all the government laws, policies, rules-regulations on bribery and corruption. PRAAN is committed to guide, obey by the existing government laws.

2.3 Development Process of the Policy

PRAAN reviewed different organizations' "Theft, Fraud, Corruption, and Non-Compliant Activities Policy", practice and procedure; and drafted this policy. It received feedback from beneficiaries, staff, Board members and included them later on into this policy.

2.4 Review and alteration of the Policy

The Executive Committee and the Competent Authority of PRAAN is the only authority who reserves the right to change, modify, suspend, interpret or cancel its policy clause with the significant changes made in the national and international laws, policies, human rights declaration.

2.5 Effective Date of the policy

This Policy shall be effective from the day following the day of approval given on it by the Executive Committee of PRAAN and the employees of PRAAN shall be notified of the exact effective date of this policy


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Section 03 : The Theft, Fraud, Corruption and Non-Compliant Activities Policy

3.1 : Key Definitions

This Policy applies to any matter where indications of theft, fraud, corruption, or non-compliant activities are present. Key terms used in this Policy are defined below:

- 13.1.1 **Corruption** is the offering, giving, soliciting or acceptance of an improper inducement or reward, which may influence the decision, decision-making process, or action of any person. Providing any unlawful benefits, providing any scopes-opportunities to gain benefits to any individual, organizations for personal interest, which is also violation of organizations rules and policies, is also corruption. Intention, initiative of such activities will also be treated as corruption. Nepotism, biasness just for personal interest, activities enveloped with personal intentions, discrimination to anyone or to any organization just for personal consideration of benefits, ego will also be treated corruption. Creating an environment in favor of corruption, where the scopes, opportunities and risks of corruption can be created, where nepotism, discrimination, biasness can take place is also corruption.
- 13.1.2 **Fraud** is an offense under the Criminal Code of Bangladesh. It is the legal term that describes an event or the situation in which the existence of 1) deception, 2) loss/benefit, and 3) victim(s) have all been established and proven.
- 13.1.3 **Theft** is an offense under the Criminal Code of Bangladesh. It is the act of stealing, taking, or removing corporate or personal property, including intellectual property, monetary or other physical goods, without appropriate authorization.
- 13.1.4 **Non-compliant** activities are illicit acts or failures to act in accordance with legislation, regulations, policies, internal controls or other obligatory standards.
- 13.1.5 A **Loss** is the detrimental effect or disadvantage that results from being deprived of a resource or a right to participate in an opportunity that would have otherwise legitimately benefited the PRAAN.
- 13.1.6 An **Irregularity** is suspected fraud, corruption, theft of monetary or intellectual property of the PRAAN, or a suspected non-compliant activity by an internal or external person(s), which results in an intentional or unintentional misappropriation of assets or rights that would otherwise benefit, or which creates a loss for the PRAAN.

3.2 : Scope of this policy

This Policy applies equally to all persons associated with the PRAAN including:

- 3.2.1 all employees (regular, contractual, temporary, part time) of the PRAAN or any of its affiliated Programs;
- 3.2.2 Executives and all other management and supervisory employees;
- 3.2.3 Volunteers of the PRAAN;
- 3.2.4 Contractors engaged by the PRAAN.


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3.3 : Prohibited Activities

An investigation of matters covered by this Policy may lead to allegations of theft, fraud, corruption, or a non-compliant activity. Until a formal investigation has been conducted in accordance with this Policy, all findings, reports and suspicions will be termed Irregularities. Irregularities include, but are not limited to, serious actions that may result in an actual or perceived financial or non-financial loss to our organization as a result of:

- 3.3.1 Intentional, unwarranted and unauthorized departures (please refer to the


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- Financial Policy Manual of PRAAN);
- 3.3.2 The manipulation of accounting records to conceal or alter legitimate financial or operational results;
 - 3.3.3 Misuse, destruction or unauthorized access of PRAAN documents, databases, intellectual property, computer systems, recorded data or messages, and/or technology;
 - 3.3.4 Intentional false creation or alteration of documents, contracts, agreements, or any other record;
 - 3.3.5 An undisclosed financial interest between an employee or contractor of the PRAAN and another person or entity to which PRAAN may in the course of business disburse or receive funds or services;
 - 3.3.6 Intentional misrepresentation of facts;
 - 3.3.7 Unauthorized misuse of PRAAN records, data, intellectual property or private information;
 - 3.3.8 An agreement or perceived agreement between two or more persons to commit an act that knowingly circumvents internal controls;
 - 3.3.9 Unusual compensation, benefits, or rights received by PRAAN employees, consultants, researchers or suppliers in exchange for actual or perceived goods, services, advantages or benefits;
 - 3.3.10 A contravention of a statute, law or regulation;
 - 3.3.11 The theft of PRAAN owned or administered intellectual property or monetary items including currency, cheques, drafts, etc.
 - 3.3.12 Providing special facilities to any colleague taking bribe, cash or gifts;

3.4 : Responsibilities of Individual

(all the employees, volunteer, committee members herein referred to as Individuals)

All Individuals must read this policy, they should have clear understanding on this. They have to abide by this. Individuals are responsible for awareness, prevention, detection and reporting of Irregularities. All Individuals should understand the risk activities associated within the scope of their work and responsibilities and adopt effective controls to ensure these risks are mitigated. If there is any Theft, Fraud, Corruption and Non-Compliant Activities happened, if any environment for Theft, Fraud, Corruption and Non-Compliant Activities is happened, if any space is created for corruption, if there is any doubt of corruption, staff should immediately inform management. Hiding any information about corruption even knowing that is also a corruption and it will be treated as violation of this policy. Management action can be taken against those who violate this. Each Individual should:

- 3.4.1 Understand the importance of their own contribution to the internal control environment;
- 3.4.2 Recognize the symptoms of failing control procedures;
- 3.4.3 Be aware of the consequences that may result if control procedures are not maintained; and,
- 3.4.4 Report matters applicable under this Policy on a prompt basis.

3.5 : Management Responsibilities

The fostering of a openly accountable culture will be accomplished through the implementation of effective internal controls and the leadership of the Management team of PRAAN The highest standards and behaviors are required from the senior leadership. Management is responsible for reporting Irregularities, following up on reported Irregularities, and ensuring that Individuals are trained and coached regarding the specific risks related to their responsibilities. Internal control procedures must be periodically reviewed by management to ensure changes to our business environment, technology, and/or processes or procedures have not reduced the effectiveness and reliability of established


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controls.

3.5 : Reporting Irregularities

- 3.5.1 If an Individual believes they have identified an Irregularity, they should initially report their findings in confidence to their direct supervisor. The Individual's direct supervisor will assess the findings and within one (1) working day report any findings or unresolved Irregularity to the Internal Audit Committee.
- 3.5.2 Persons reporting Irregularities should take precautions to maintain strict confidentiality and avoid all situations that may:
- Result in the communication of mistaken or unfounded accusations; or,
 - Alert suspected perpetrators to an impending investigation.

3.6 : Protection and confidentiality of whistle blowers

- 3.6.1 Here it is noted that the organization shall ensure full protection of the complainant. By no means the name of the complainant shall be disclosed but could do it only taking the approval from the complainant. While discuss, never squeeze the complainant in a way that pretend to defame or harass him/her.
- 3.6.2 If any complaint is proved false, fabricated or intentionally registered then administrative action shall be taken against the complainant under the HR policy manual.
- 3.6.3 If the complainant encounters any professional, personal or any other loss s/he could inform or write the matter to the Chief Executive or Executive Committee for a remedy.

3.7 : Specific Accountability

3.7.1: **Internal Audit Committee:** Internal Audit Committee will be the supreme authority to investigate any Irregularity case. The Executive Committee has resolved to establish a Committee to be known as the Audit Committee. The committee must have 03 members, one from EC, one from Finance Department and, another one from respective project/program with women participation.

3.7.1.1: With respect to Irregularities involving the Internal Audit Committee is responsible for:

- Assisting, advising, and supporting Individuals, management and executives on the prevention and detection of potential Irregularities;
- Investigating Irregularities reported under this Policy;
- Quantifying monetary restitution with respect to any losses sustained by the PRAAN;
- Recommending appropriate actions against those who have committed acts of applicable theft, fraud, corruption, or non-compliant activities; and,
- Reporting Irregularities to the appropriate parties on a timely basis, specifically:
 - All financial Irregularities must be reported to the Chief Financial Officer, Chief Executive Officer and the Chair of the organization
 - All non-financial Irregularities must be reported to the Chief Executive Officer and the Chair; and,
 - Other individuals on a need-to-know basis.


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3.7.2: **Human Resources and Management :** Where an investigation substantiates the allegations of an Irregularity, PRAAN will take corrective action

as promptly as possible. For matters arising from this Policy, HR Department will be the primary contact for non-contract employees, contractors, other parties, and union officials representing their contract employees.

- 3.7.2.1: HR/ Admin will be responsible for disciplinary action arising as a result of breaching this Policy. The specific action taken in any particular case will depend on the nature and severity of the issue. Where appropriate, the person(s) responsible will be disciplined, which may include termination of contractual relationships with the PRAAN.
- 3.7.2.2 HR policy will be followed in taking any action.
- 3.7.2.3 It is the intent of this Policy that all Individuals subject to disciplinary action will be treated consistently, regardless of position or relationship with the PRAAN. Management must attempt to recover all misappropriated resources on a cost-efficient basis.
- 3.7.2.4 When applicable and in the context of this Policy, HR will coordinate the recovery of any loss identified.

3.8 : Investigation Procedure

- 3.8.1 Internal Audit Team will use their best efforts to complete a preliminary risk analysis of all reported and identified irregularities within forty-five (15) days.
- 3.8.2 All identified and confirmed reports of Irregularities will be prioritized according to types of risk, significance, and sensitivity.
- 3.8.3 The Internal Audit team will lead and establish the direction of any required investigation using any internal or external resources deemed necessary.
- 3.8.4 As part of the investigation, the investigator(s) may privately and independently interview the person(s) who reported the Irregularity, the respondent(s) to the allegation and any person who may have relevant information.
- 3.8.5 Information regarding any ongoing investigations will be secured, to the extent reasonably possible, to protect the personal privacy and confidentiality of all Individuals.
- 3.8.6 Information obtained or documented in the context of an investigation will only be disclosed to the extent necessary to ensure a fair and principled investigation.
- 3.8.7 The person(s) who initially reported the Irregularities will be contacted by Internal Audit within five (5) business days to:
 - a. Confirm the person(s)' reporting of the Irregularity;
 - b. Establish a primary contact for possible future communications.Within forty-five (15) days, if appropriate, Internal Audit team will communicate to such person(s) whether an investigation will proceed or if an investigation will not proceed, and identify the reason(s) thereof.
- 3.8.8 Internal Audit team will determine the existence of a bona fide Irregularity based on a review of evidence. If an Irregularity is supported, the respondent(s) shall be entitled to disclosure of the allegations and shall be given full and fair opportunity to respond, subject to an ability or requirement to withhold information under applicable laws and regulations.
- 3.8.9 A reported Irregularity may not proceed to a formal investigation or an investigation may be terminated under this Policy if the:
 - a. Matter is determined to be frivolous, vexatious, inconsequential, or an abuse of process;
 - b. Irregularity was not reported in good faith with a genuine belief of its existence; or,


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- c. Reporting Individual fails to provide requisite particulars of the Irregularity.

3.9: Protection from Reprisal

- 3.9.1 PRAAN will not take or allow any reprisal against any person(s) for, in good faith, reporting an Irregularity. Reprisal includes any action or inaction that prevents, restricts, impedes or detrimentally affects a complainant or witness providing information and / or evidence or an investigator and / or an investigation carried out under this Policy.
- 3.9.2 An individual may protest an alleged reprisal by filing a separate complaint to the Internal Audit committee.
- 3.9.3 A full review of a reprisal complaint will be conducted by an appropriate designate by CEO. The review shall determine whether the conduct in question constitutes reprisal and if required, recommend an appropriate resolution.

3.10: Records of Irregularities

- 3.10.1 A confidential record of reported Irregularities and investigation outcomes will be maintained and reported to the Chief Executive. Internal Audit Committee will report directly to the Chair of the A confidential copy of all investigation findings will be retained in the Finance department.
- 3.10.1 An aggregate report of Irregularities (if happened) will be kept by the Office and forwarded annually to the EC. These records will include the following information only:
 - a. number of Irregularities; b. type of Irregularity (business risk); and
 - c. the nature of process or resolution (i.e. informal resolution, mutual resolution, investigation).
- 3.10.3 The intention is that the anonymity of any person(s) involved will be assured as the data will be in aggregate form only, and will be used only for corporate governance purposes.

3.11: Approved by EC, effective date and monitoring

This policy has been approved unanimously in the EC meeting held on 28 December, 2020 and be effective in no delay. Manager- MEAL will be responsible to implementation progress of this policy in the organization.


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