

CHETNA VIKAS

Anti-Fraud Policy



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1. INTRODUCTION

CHETNA VIKAS or “The Organization” is committed to acting professionally and fairly in all of its dealings and relationships, employing the highest standards of openness, transparency and accountability. CHETNA VIKAS promotes a culture of honesty and integrity, and totally opposes any form of fraud, bribery or corruption. Fraud, bribery and corruption impact disproportionately on the poor and the most vulnerable people in the world. Such criminal activities divert resources intended for humanitarian assistance and development away from our intended target groups; they increase the costs of basic public services; and undermine economic growth. Such actions are a barrier to poverty alleviation and good governance. CHETNA VIKAS's Board(s), secretary, director and Senior Management Teams are committed to the implementation of this policy and to ensuring that training and support is provided to all employees and Board members on its content, and on their individual and collective responsibilities.

2. PURPOSE

The purpose of the CHETNA VIKAS Anti-Fraud Policy is to provide clear definitions of what we mean by fraud, bribery and corruption. It is also to ensure that Organization sets up adequate procedures in order to prevent Organization's involvement in any activity relating to bribery, facilitation payments, or corruption, even where the involvement may be unintentional.

It requires employees, directors, board members, officers of the Organization etc subject to this Policy to:

- recognize questionable transactions, behaviour or conduct;
- be alert to warning signs in relation to bribery and corruption;
- report actual or suspected violations of this Policy;
- report any activity relating to bribery or corruption;
- co-operate with any investigation or audit activities relating to matters covered by this Policy; and
- otherwise fully comply with and follow procedures set in place to deal with such behaviour or conduct.

3. SCOPE

This policy applies to all relevant persons of Chetna Vikas. Relevant persons include staff, board members, volunteers, and short-term / long term consultant / contractors. It is therefore, the responsibility of all Associates and board members to follow and adhere to all elements described in the Policy.

4. DEFINITION

4.1. “Associates” stands as a collective term for all individuals working at all the levels and grades, including senior managers, officers, directors, Board member, employees (whether permanent, fixed-term or temporary), consultants, trainees, volunteers,

interns, seconded staff, or any other person associated with CHETNA VIKAS or their associates, wherever located.

4.2. "Fraud" is used to describe a range of illegal activities. These include, but are not limited to, deception, forgery, theft, the false reporting or concealment of material facts, collusion and corruption (including bribery) and intentional undeclared conflicts of interest (Col), or non-adherence to Col instructions (see CHETNA VIKAS's Conflicts of Interest Policy).

4.3. "Bribery" shall mean the offering, promising, giving, receiving, soliciting or accepting of a financial or other advantage, or any other thing of value, with the intention of influencing or rewarding the behaviour of a person in a position of organization to perform a public, commercial or legal function to obtain or retain a commercial advantage. Bribe often involves payments (or promises of payments) but may also include anything of value - providing lavish/inappropriate gifts, hospitality and entertainment, inside information, or sexual or other favours; offering employment to a relative; underwriting travel expenses; abuse of function; or other significant favours. Bribery includes advantages provided directly, as well as indirectly through an intermediary.

This Policy prohibits Associates and Third Parties from giving bribes not only to any public/government official but also to commercial organizations and/or individual.

4.4. "Corruption" shall mean and include wrongdoing on the part of an authority, or those in power, through means that are illegitimate, immoral, or incompatible with ethical standards, such as misuse of public office or power for private gain or misuse of private power in relation to business outside the realm of government.

4.6. Public Servant (Government Official or Public Servant) shall have the same definition as per Prevention of Corruption Act, 1988.

4.7. "State" means all levels and subdivisions of governments (i.e., local, regional, or national and administrative, legislative, or executive);

4.8. "Facilitation Payments" are unofficial payments made to public officials in order to secure or expedite the performance/non-performance of a routine or necessary action. They are sometimes referred to as 'speed' money or 'grease' payments or 'good-will money'. The payer of the facilitation payment usually already has a legal or other entitlement to the relevant action;

4.9. "Kickbacks" are illegal payments intended as compensation for favourable treatment or other improper services. The kickbacks may be money, a gift, credit, or anything of value;

4.10. "Ethics Committee" shall mean Organization's Ethics Committee, responsible for implementing and monitoring this Policy; amongst others;

4.11. "Third Party(ies)" shall mean and include any individual or organization, who/which come into contact with Organization or transact with CHETNA VIKAS and also includes actual and potential grantees, donors, partners, suppliers, business contacts, consultants, intermediaries, representatives, subcontractors, agents, advisers, and government & public bodies (including their advisers, representatives and officials, politicians and political parties)

5. POLICY STATEMENT

5.1. Core principle: Organization and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to, or perceived to obtain grant/work or uncompetitive favours for the conduct of its operations and shall participate in efforts to eliminate such forms of an "illicit payment", bribery and corruption.

CHETNA VIKAS is committed to acting professionally, fairly and with integrity in its operations and relationships wherever it operates, and to implementing and enforcing effective systems to counter bribery. This includes compliance with all applicable laws, domestic and foreign, prohibiting undue/improper payments, gifts or inducements of any kind to or from any person, including officials in the private or public sector, customers and suppliers. Our organization is equally committed to the prevention, deterrence and detection of bribery and other corrupt business practices.

5.2. Forms of Bribery and Corruption: Bribery and corruption can take many forms including; but not limited to cash or gifts to an individual or family members or associates, inflated commissions, fake consultancy agreements, unauthorized rebates, non-monetary favours and false political or charitable donations. These actions may be undertaken directly or through a third party. It is illegal and immoral to directly or indirectly, offer or receive a bribe.

5.3. Anything of Value: Bribery does not have to involve payments of cash. Bribery may involve "other things of value" offered, promised or provided, directly or indirectly even where what is offered has only symbolic value.

Examples of other things of value includes:

- Product or discount coupons
- Payment of Third Party² tax debts
- Passes to a private club
- A no-bid contract or procurement that is non-compliant with the Organization's Procurement Policy
- An internship for a family member
- Travel, entertainment or entertainment
- Sexual favours
- Overpaying for purchases
- Favours in any form

5.4. Laws: Organization shall abide by all the applicable laws that counter bribery and corruption and are applicable to our Organization across all the jurisdictions in which we operate. This shall include-

- Indian Prevention of Corruption Amendment Act, 2018 (“PCA”) and
- Other applicable laws and regulations

6. REQUIREMENTS

6.1. Prohibited & Restricted Payments

- Offering, promising and authorizing the giving of money, or anything else of value, to a Public Servant in order to secure an undue/improper advantage is strictly prohibited;
- No Associate shall offer, give, promise or receive money, or anything else of value, to, or from an individual or entity in the private sector in order to obtain an undue/improper advantage;
- Even the mere act of offering is prohibited, regardless of whether or not the item of value is actually accepted by the intended recipient;
- The prohibition covers cash payments, benefits and favours, gifts, entertainment, travel, donations, sponsorships or training;
- The above-mentioned payments are prohibited regardless of whether or not they are made directly or indirectly through Third Parties.

6.2. What is Permissible

- This Policy permits Associates to provide modest/token gifts, promotional, hospitality or certain other things of value to Public Servants or private individuals/entities that are given at an appropriate venue, are of notional value, and; which if made public would not cause embarrassment to the Organization. Examples of token gifts includes Organization calendar, pens, mugs, books, t-shirts, bouquet of flowers. However, the key determining factor for appropriateness of the gift or hospitality and/or its value would be based on (a) facts and circumstances under which such gift or hospitality is provided; (b) Gift should have notional value; and (c) Giving of the gift must not be perceived as connected with receiving of some favor or a favorable decision in near of distance future.
- Irrespective of the monetary value of the gifts, promotional items etc received by the Associates, they are expected to make full and complete disclosure thereof to the Finance team of the Organization.
- When deciding whether a gift is appropriate, Associates must take into account any past, pending or future work or administrative matters that are within the recipient’s realm of influence. The timing and context of such gifting must be considered in order to assess whether any particular gifting could objectively be perceived as bribery.

6.3. Travel, Education & Related Expenses Involving Government Officials

Subject to prior written disclosure, and approval of the Finance department, the Organization may accept requests to host government officials for training or other work-related purposes either at the Organization's facilities or at training events sponsored by outside vendors. The Organization may also accept requests to host government officials at its operational meetings, project meetings or other events.

6.4. Charitable Donations & Sponsorships

Subject to prior written disclosure, and approval of the Finance department, Organization supports making of grants/contributions to the communities in which it operates and permits reasonable donations/grants. In this respect:

- Reasonable steps/scrutiny must be undertaken to verify that any such grant/contribution does not constitute an illegal payment to a government agency or any individual in violation of this policy;
- The grant/contribution shall be directly made to the government agency (rather than to an individual government official)

6.5. Third Parties

- Organization can be held liable for the actions of Third Parties, particularly where they perform services or otherwise conduct dealings, discussions or negotiations with public or private Organizations for or on behalf of the Organization;
- Organization may be held responsible for the actions of Third Parties in giving or accepting bribes;
- Organization may also be held accountable for failing to take sufficient steps to prevent Third Parties from participating in bribery or related conduct, whether or not the Organization was actually aware of the alleged improper conduct;
- Third Parties must never be asked to engage in or condone any conduct that Associates are prohibited from engaging in themselves under this Policy;
- Associates must never turn a blind eye to suspected violations of this Policy by third parties or disregard otherwise suspect circumstances;
- All Third Parties working for, or on behalf of the Organization are required to act with the highest level of business, professional and legal integrity;
- Organization to carefully choose its network partners, including agents and consultants in order to protect itself from liability for improper payments made by Third Party and to be aware of "red flags". These should be selected after a careful screening procedure;
- Associates shall conduct due diligence enquiries to review the integrity records of any Third Party before beginning a commercial relationship with them. Further, the selection of Third Party should be robust;
- Associates shall implement a program to provide appropriate information on this Policy to all Third Parties engaged with Organization. Each Third Party shall be fully briefed on this Policy and expressly acknowledge commitment to abide by it;

- Contractual agreements will include appropriate wording ensuring Third Parties' compliance to this Policy; and empowering the Organization to withdraw from the relationship in the event of violation thereof.

6.6. Facilitating Payments

- Organization does not allow the use of facilitation payments. Associates and Third Parties are prohibited from making facilitation payments on the Organization's behalf;
- Under exceptional circumstances, i.e. when an Associate's safety is at risk, and the person is left with no alternative but to make payments in order to protect against loss of life, limb or liberty, then facilitating payments may be permissible. However, an incident report must be submitted to the director immediately.

6.7. Books, Records, Accounting & Payment Practices

- In order to prevent the possibility of bribes and kickbacks being paid or accepted, Organization's financial records must fairly and accurately reflect each transaction involving Organization's operations and/or the deployment of assets;
- Secret, unrecorded or unreported transactions are prohibited;
- All expenses must be accurately accounted for, include appropriate supporting documentation and be promptly entered into Organization records before they are reimbursed;
- The requirement under previous section includes, but is not limited to, the accurate identification (in expense reports, related business and financial records) of all payments to Third-Parties acting for or on behalf of the Organization.

6.8. Wilful Negligence

If an Associate or Third Party wilfully ignores or turns a blind eye to any evidence of corruption or bribery within his/her department and/or around him/her, it will also be taken against them.

7. COMPLIANCE AND VIOLATION OF POLICY

- Any Associate found to be in violation of this Policy will be subject to disciplinary action, up to, and including termination of employment, in accordance with applicable laws and Organization's policies, as well as any other legal and remedial actions available to the Organization under applicable law;
- Third Parties working for the Organization who are found to be in violation of this Policy will be subject to termination of the working relationship as well as any other legal and remedial actions available to the Organization under applicable law;

- CHETNA VIKAS reserves the right to report any suspected fraudulent or criminal activities to the relevant authorities;
- Our Associates and Third Parties can be investigated by government regulators in different jurisdictions and, depending on the circumstances, prosecuted administratively, under civil law or under criminal law, which could result in severe fines and penalties, debarment and imprisonment if a violation of applicable anti-bribery and corruption laws and regulations is established.

8. DUTY TO REPORT BREACHES OR CONCERNS

It is the responsibility of all Associates to ensure compliance with this Policy. Any Associate who is in doubt, suspects or witnesses a breach of this Policy by anyone in the Organization, or any Third Party working with the Organization, is encouraged to promptly contact the director of the Organization.

9. EXCEPTIONS AND REVIEW OF POLICY

The Organization reserves the right to modify and/or review the provisions of this Policy from time to time, in order to comply with applicable legal requirements or internal policies, to the extent necessary.

10. ASSOCIATE POLICIES

The CHETNA VIKAS Anti-Fraud Policy is linked to and must be read in conjunction with:

- CHETNA VIKAS Whistleblowing Policy
- CHETNA VIKAS Code of Conduct
- CHETNA VIKAS Conflict of Interest Policy

11. APPENDIX

Appendix: Glossary Terms	Definition
Attempted fraud or bribery	An unsuccessful effort to commit fraud or bribery.
Bribery	The unlawful act of offering or receiving any gift, loan, fee, reward, or other advantage (taxes, services, donations etc.) to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, in the conduct of one's duties.
Corruption	The abuse of entrusted power for private gain.
Embezzlement	To steal money that people trust you to look after as part of your work.
Entertainment	Invitations to attend events with a social aspect, such as meals and conferences, and entertainment events including shows or games, which are offered free of charge or at reduced rates.
Error	An accidental mistake, for example, in a calculation or a decision.
Extortion	Act of utilizing one's access to a position of power or knowledge, either directly or indirectly, to demand unmerited cooperation or compensation due to coercive threats.
Fraud	The act of intentionally deceiving someone in order to gain an unfair or illegal advantage (financial, political, or otherwise).
Gift	Goods, services, or cash offered to or by staff or board members, or their friends, family, or associates, at free or preferential rates. Unpaid loans are considered gifts for the purposes of this policy.
Money Laundering	The concealment of the origins of illegally obtained money, typically by means of transfers involving foreign banks or legitimate businesses.
Negligence	Failure to give care or attention, especially when this causes harm or damage.
Nepotism	Form of favoritism based on familial relationships whereby someone in an official position exploits his or her power or authority to provide a job or favor to a family member, even though he or she may not be qualified or deserving.
Public Official	Any person holding legislative, executive, administrative, or judicial office, whether he/she is appointed or elected, permanent or temporary, paid or unpaid.
Robbery	The crime of taking money or property illegally, often by using threats or violence.
Theft	The crime of stealing.