

Fraud and Corruption Remedy Policy 2020

People's Oriented Program Implementation (POPI)

5/11-A, Block-E, Lalmatia, Dhaka-1207

1.0 Definition

The use of deception for the purpose of gaining an advantage, to avoid a complaint/responsibility or to harm someone can be defined as fraud. Similarly, encouraging or forcing a member, director, manager or employee to do certain illegal or unlawful acts by providing or receiving financial or any other benefit may be defined as corruption.

1.1. Cheating:

- Giving false information/assurance for malicious purposes.
- Persuading someone to do evil.
- To harm a person by showing temptation.
- Submission of fake bills/vouchers.
- Maintain connection with the fraud cycle.

1.2 Corruption:

A) Involvement in anti-state or anti-agency activities.

B) Taking bribes or taking advantage of illegal opportunities or taking loans from any party member of the organization.

C) Embezzlement of funds and assets of the organization.

D) Not paying regular income tax despite having taxable income.

E) To resort to deception for the fulfillment of one's own interests outside the responsibilities assigned by the organization.

F) Living inconsistent with income.

2.0 What is needed to alleviate fraud and corruption?

The financial management control of the organization is formulated to adequately prevent fraud, corruption and other irregularities. POPI's members, directors, managers and other employees are required to act with integrity and fairness at all times and to ensure the security of the beneficiaries' assets for which they are responsible.

- Members and officers/employees of the organization need to do is as follows

a. The sole decision to act in accordance with POPI's statutory rules in the interests of the beneficiaries, excluding personal interests.

b. Not giving any unethical financial or any other benefit to outsiders/institutions which affect them to refrain from fulfilling their proper responsibilities.

c. To take appropriate action in resolving any conflict in such a way or to seek advice from superiors so that the interests of the beneficiaries are protected and confidentiality is maintained.

d. Accelerate or support these policies through leadership or by setting an example.

- Executive Committee

The responsibilities of the Executive Committee are as follows:

a. To ensure proper and adequate implementation of financial planning and management control of the organization against fraud and corruption in the field of fund protection.

b. Reporting significant fraud and irregularities to members of the executive committee and to POPI's management.

c. To take action to alleviate such irregularities in future.

- Executive Director

One of the main responsibilities of the executive director is to implement management control against fraud and theft. S/he should work closely with the executive committee and senior management team to prevent fraud, corruption and irregularities. All officers and employees have their own responsibilities to manage their activities which they should fulfill.

- Director-Audit

Identify the shortcomings in pursuing POPI's set of norms, methods and policies to avoid fraud, corruption and irregularities. In case of fraud or suspicion in the day-to-day running of the director-audit, s/he shall immediately inform the Executive Director.

- Director: Finance and Accounts

Implementing management control against fraud, corruption, theft and irregularities is one of her daily responsibilities. S/he will immediately inform the Executive Director if any of the above-mentioned issues occur or if any suspicion arises.

- Other directors

Other directors such as Director - Human Resources and Administration, IT, Director - Monitoring and Evaluation, Director - Programs, etc., are responsible for assisting in the implementation of management control against fraud and theft.

- Managers

It is the responsibility of managers to ensure that adequate internal control procedures are effectively in place in their area. To fulfill this responsibility, managers need to do the following:

a. Determining what types of fraud risks are among their operational responsibilities.

b. Review and test ongoing control methods.

- c. To ensure that the controls are being followed properly every day.
- d. Check to see if they are satisfied that the controls are working properly.

3.0 Uncovering corruption and thread

There are three main ways in which fraud and corruption can be uncovered

- a. When management control is usually broken by management or when management is in doubt.
- b. Through regular inspections or specific inspections in high risk areas.
- c. Through third party: Internal staff or by third party.

If a suspicion of fraud is raised or uncovered, the director must arrange audit for proper investigation. Any such investigation should be in accordance with the principles of the fraud response plan of the organization. However, in case of such an incident, the employee/officer of the project/organization will inform the director about the money and accounts. If the investigation proves any irregularities, fraud, corruption, etc., then the conclusion should be reported to the Executive Director.

4.0 Punishments

Penalties for microfinance activities shall apply in accordance with Section 45 of the Microfinance Administrative Rules. Penalties for other programmes should be as follows: -

- Light punishment
 - a) Warning / condemnation.
 - b) Temporary suspension of salary increase.
 - c) Postponement of promotion.
 - d) Salary deduction.
 - e) Temporary suspension of salary.
 - f) Transfer to inaccessible and remote areas.
- Harsh punishment
 - a) Recovery of part or all of the financial loss organized by the employee from his salary or any other means.
 - B) Demotion to a lower post or lower salary.
 - C) Compulsory retirement.
 - D) Removal or dismissal from service.

E) Taking legal action.

- Temporary dismissal

a) If the offense of an employee is serious and it is improper to be involved in the work of the organization during the investigation of the offense, then that employee can be suspended temporarily.

b) The investigation must be completed within 30 days.

c) If there is a possibility of severe punishment for any allegation against an employee under this rule, the authority may, if necessary or expedient, suspend him. Authorities can suspend unpaid according to the offense. Again, the authorities may, if they wish, grant the following financial benefits to a worker in case of temporary dismissal in accordance with the offense:

1. Half of the basic salary
2. Half of the allowance (if any)
3. Full medical allowance (if any)

Not to be received:

1. Travel allowance
2. Conveyance allowance.

The organization will monitor the movements of the accused employees.

5.0 Appointment of Investigation Officer

Authorities may, if necessary, appoint one or more investigating officers who are not below the rank of the accused employee (if there are female officers at that level, may form an inquiry committee consisting of female employees) to complete the investigation within the allowable time (maximum 30 days). If they are not able to submit the investigation report within the stipulated time, the investigating officer(s) will request the authorities for extension of time in writing. The time can be extended if the authority deems the request appropriate.

Authorities will make a final decision on the investigation within 7 (seven) days of receiving the report of the investigating officer.

6.0 Procedure for investigation in case of fraud or corruption

a) Instruct the concerned employee to go on leave from the date mentioned in the written order.

b) The accused employee should be informed about the action to be taken by the inquiry committee through written report.

c) In the interest of investigation, the investigation committee can independently conduct field inspections, interviews, document verification etc.

7.0 Procedure to be followed by the investigating officer

a) The investigating officer shall arrange a hearing on the matter and shall not adjourn the hearing without recording the reasons.

b) In the case of punishment conducted under this rule, oral testimony hearing on all the allegations which the accused worker has not admitted will also be recorded. The relevance and importance of the complaint will be considered. The accused shall have the right to cross-examine the witness of his opponent and to give his own testimony and to summon any witness to support his side.

c) The investigating officer shall record the reasons. You may refuse to summon or accept any witnesses.

d) The authority may nominate any employee to support the complaint and to present all other matters to the investigating officer.

e) The investigating officer shall submit his investigation report to the ordering authority within 10 working days after the completion of the investigation.

f) The investigating officer shall record his decision mentioning the penalty clause on each allegation in the investigation report.