

Policy 3.12

IPPF FRAUD POLICY

1. Introduction

- 1.1. IPPF has a responsibility to ensure that it acts in the best interests of its clients and supporters at all times. This includes ensuring that its resources are used efficiently for the purposes intended and are not wasted or diverted due to fraudulent activities.
- 1.2. Consequently, this responsibility passes down to all staff and volunteers engaged by the IPPF Secretariat and its Member Associations.
- 1.3. Fraud covers acts such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. It usually involves depriving someone of something by deceit or obtaining something by deceit, which might either be straight theft, misuse of funds or other resources, or more complicated crimes such as false accounting and the supply of false information. Fraud is not restricted to monetary or material benefits but includes intangibles such as status and information.
- 1.4. Fraud can be perpetrated not only against IPPF, but also in favour of IPPF, such as deceiving donors into providing funds for non-existent activity, or double-reporting single activities to more than one donor. IPPF does not tolerate either kind of fraud.

2. Policy

- 2.1. IPPF has zero tolerance of fraud of any type or in any circumstances, whether carried out by volunteers, staff, contractors, partners or clients. Fraud against IPPF depletes funds intended for the accomplishment of programme delivery, undermines effective functioning and jeopardises sustainable development by diverting donor contributions.
- 2.2. Fraud detection and prevention is the responsibility of everybody in IPPF, not just leadership and management.
- 2.3. Staff reporting fraud should be protected by local whistleblowing or complaints policies.
- 2.4. Employees found to have been involved in fraudulent activities must expect to be dismissed for gross misconduct in accordance with local policy and legislation.
- 2.5. It is recognized that fraud has a different legal standing in each country in which IPPF operates and therefore the legal response to fraud must reflect this local context.

- 2.6. Notwithstanding paragraph 2.5, any person (employee or otherwise) or organization implicated in a fraud should be dealt with through the local legal system where appropriate.

2.7 **Prevention of Terrorist Financing**

IPPF is wholly committed to not fund or receive funds from terrorist individuals or organisations and has introduced and embedded actions into our policy and practice to ensure that we are taking steps to prevent any engagement with terrorism. IPPF is also taking these steps to ensure that it is fully compliant with banking regulations and donor compliance requirements.

These actions include:

1. A commitment to carry out searches for all IPPF procurement (including existing and potential suppliers), new and existing IPPF Secretariat staff (under the pre-employment referencing process), partners/donors and Member Associations, against the following external databases:
 - System for Award Management (SAM) – US Government database
 - Specially Designated Nationals (SDN) – US Government database
 - UN Sanctions List
 - Any other relevant databases as per external donor or UK Government requirements.

These databases list individuals and organisations excluded from doing business with national or international organisations due to violations of regulations for involvement with terrorism.

2. Identification in IPPF Procurement Principles and associated procedures of the risk of terrorist financing and the need to carry out appropriate due diligence to ensure this risk is mitigated.
3. A Preventing Terrorism provision is included in 2016 unrestricted and restricted funding for all recipients and the risk of terrorist financing is to be included and monitored in the IPPF Risk Register.

Should any evidence of links with terrorist activity be found within IPPF procurement, funding streams, staff or MAs, appropriate corrective action will be taken in compliance with local legislation. IPPF recognizes that, as per the international legal obligations of states, such legislation should comply with international law, in particular international human rights law. Please refer to the IPPF Fraud Policy Implementation section for further guidance on appropriate response protocol.

3. Implementation

The IPPF Secretariat and Member Associations have a number of distinct roles to play in implementing this policy.

- 3.1. Each IPPF Secretariat office and Member Associations will:

- 3.1.1. Have a fraud response plan and ensure it is effectively implemented. The fraud response plan will provide full details of how the organization reports, responds to, and investigates fraud allegations. It is extremely important to consider the local legal situation regarding fraud and build this into the fraud response plan. The fraud response plan should contain information on the following areas: scope of the plan; summary of the fraud policy; possible sanctions for fraud; securing and gathering evidence; relevant Human Resource policies to consider whilst investigating employees; reporting and communication lines; roles and responsibilities; guidance on police involvement; and approach to impact assessment and lesson learning. The Secretariat approach to policy implementation is laid out in the Secretariat Fraud policy guidance
- 3.1.2. Maintain a fraud register that contains summary details of all alleged frauds. The register should include, as a minimum, information on the following areas: date of the fraud; nature of the fraud; details of those involved; value of the fraud; and the outcome of the investigation, including whether legal action was taken.
- 3.1.3. Be responsible for local fraud reporting in compliance with local legislation.
- 3.1.4. Implement an effective approach to fraud risk management. This will involve identifying the key fraud risks and evaluating the likelihood and impact of their occurrence. For a fraud to occur four basic elements are essential: people to carry out the fraud; assets to acquire fraudulently; intent to commit the fraud; and opportunity to defraud. Fraud detection and prevention addresses these elements through such measures as appropriate internal controls, including recruitment procedures, physical controls and controls to detect and punish fraudsters, but also through promotion of an anti-fraud culture.
- 3.1.5. Ensure that organizational culture encourages and facilitates the detection and prevention of fraud. Leadership of IPPF at all levels must demonstrate that fraud is unacceptable, and perpetrators will be dealt with seriously. The actions and words of the leadership will give confidence to staff to report fraud and deter staff from committing fraud.
- 3.1.6. Fraud targeted at the Secretariat or against the cash or commodities transferred to a Member Association by the Secretariat must be reported to the IPPF fraud email address (fraud@ippf.org) and to the Director General. The fraud email address is monitored by the IPPF Central Office for reporting purposes, the final outcome of reported fraud will be reported to the Director General.
- 3.1.7 IPPF Secretariat will use all available mechanisms in the Federation to periodically and consistently monitor implementation and review the policy statement. The implementation of this statement should be adequately resourced and supported by the Secretariat.

As adopted by Governing Council, November 2014

As amended by Governing Council, May 2016