



**ANTI FRAUD POLICY  
And Fraud Response Plan**

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## **0.1 Introduction**

Aidlink is a registered charity (charity no CHY 9078) and is committed to maintaining the highest levels of honesty, openness and transparency in all our activities. This Anti-Fraud Policy and Fraud Response Plan sets out the policies and procedures that Aidlink adopts against fraud in all its forms and outlines the steps that must be taken if such practices are suspected or discovered. This document is designed to ensure that Aidlink's anti-fraud policy not only complies with all relevant legislation but also achieves benchmark standards appropriate for a registered charity that manages donor funds. All members of Aidlink's staff have a responsibility for putting these principles into practice and for reporting any breaches they discover. Aidlink's mandate in relation to this policy is to provide the highest levels of assurance to all stakeholders, including legal and tax authorities, private and government donors, project recipients, partners, board members, staff & management and the general charity sector.

## **2.0 Definitions**

Aidlink defines fraud as acts such as deception, bribery, forgery, money laundering, extortion, corruption, theft, conspiracy, embezzlement, false accounting, misappropriation, false representation, concealment of material facts and collusion with others to commit acts of fraud against Aidlink and its partners.

Fraud may also be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

Examples of fraud include:

- Theft of Aidlink funds or property
- Falsifying qualifications
- Falsifying/altering expenses
- Forgery or alteration of documents
- Inappropriate personal use of Aidlink's property/assets
- Paying excessive prices to third parties in order to secure personal gain
- Bribery and corruption
- Money Laundering
- False Accounting
- Phishing
- Cybercrime incidents

This list provides examples and is not deemed exhaustive.

## **3.0 Aidlink's Policy**

Aidlink strives to ensure that all its activities - finance-related and otherwise - are carried out with the utmost honesty, accuracy, transparency and accountability and that any decision is taken objectively, for the good of our organisation, partners and beneficiaries, and not for personal interest.

Aidlink's objective is to oppose and prevent fraud in all its activities. Any suspicions or indications of fraud will be thoroughly investigated and dealt with in a formal and effective way.

Aidlink expects all overseas partners to comply with this policy.

## 4.0 Responsibilities

Overall responsibility for the prevention and detection of fraud for Aidlink rests with the board of directors and management. Notwithstanding that, all members of Aidlink's staff and board and partners have a responsibility to pay heed to our anti-fraud policy and to report any breaches they suspect or discover. Aidlink has strict internal control procedures, including internal checks and segregation of duties. In particular, Aidlink has strict guidelines in relation to the online transfer and payment of funds. All online bank to bank transfers up to €5,000 require the authorisation of the Executive Director and the Administrator. Funds transferred online in excess of €5,000 require the authorisation of the Executive Director and the Treasurer of the board of management.

### 4.1 Responsibilities of Board Members

1. All fraud or suspected incidences of fraud to be reported to the board.
2. As part of the role of the risk committee – fraud risks to be considered and evaluated.

### 4.2 Responsibilities of the Executive Director

The executive director should endeavour to ensure:

- That she is aware of various types of fraud that may occur
- That she is aware of the indicators of such fraud.

#### Dublin Office

- That staff are encouraged to report suspected or believed cases of fraud.
- All staff members are aware of, have read and understand this anti-fraud policy and know what their responsibilities are in relation to it.
- It is the responsibility of the Executive Director to ensure that staff, charity trustees and volunteers are all suitably empowered to recognise and mitigate the likelihood and impact of fraud: The Executive Director is charged with ensuring that staff have access to training, resources and tools to recognise and mitigate fraud.

#### Overseas

In line with our monitoring and evaluation policy:

- Regular review of partner's financial controls and procedures are carried out.
- Ensure that partners have an adequate anti-fraud policy in place.
- Review of risk analysis outlined in the partnership policy annually.

### 4.3 Responsibilities of staff members

It is the responsibility of all staff members to:

- Act with integrity, honesty and diligence when dealing with Aidlink's property and funds: be they tangible or intangible assets; cash, receipts, payments or dealings with suppliers.
- Be alert to the fact that unusual events or transactions could be an indication of fraud.
- Alert the appropriate personnel immediately when they suspect or believe they have uncovered fraud as outlined in the following section.
- Be alert to potential cybercrime: take all necessary precautions by complying with the following actions to mitigate the likelihood and impact of cybercrime: Keep devices and anti-virus software up-to-date; Set strong passwords; Make sure you keep regular backups of your data; Always use a secure network connection; Turn off network discovery and folder sharing.

Aidlink endeavours to protect an individual's identity when he/she raises an issue and does not want their name disclosed. However, it must be noted that as part of the ongoing investigation there may be a need to identify the source of the information and a statement by the individual may be required as part of the evidence.

Aidlink recognises that the decision to report a suspected fraud can be a difficult one to make but discourages anonymous allegations. Anonymous accusations of fraud will be investigated at the discretion of Aidlink.

### 5.0 Reporting Suspected Fraud

Act promptly and appropriately.

Aidlink will take all suspicions and accusations of fraud seriously and act promptly.

Employees should report their suspicions to:

The CEO: Ms. Anne Cleary, [anne@aidlink.ie](mailto:anne@aidlink.ie)

AND/OR

The treasurer of the board: Mr. Liam Byrne, [liam@bnx.ie](mailto:liam@bnx.ie)

Employees who suspect fraud should not contact the suspected individual directly in an effort to determine facts or demand explanations.

## **6.0 Investigation Guidelines**

Once a suspicion/accusation of fraud has been brought to the attention of the above-named contacts, the following actions must be undertaken promptly:

1. Report suspicion/accusation of fraud to the board.
2. Form an active working group made up of a subcommittee of board members, led by the treasurer to investigate the accusation.

The working group must insure this anti-fraud policy is followed regardless of the accused relationship with Aidlink, position or length of service.

In relation to Irish Aid funds and any grant over €5,000. The following procedures should be undertaken promptly:

1. Communicate in writing and by email with the signatory (or his/her replacement) the legal contract between Aidlink and the department of foreign affairs.
2. Describe, as far as possible, the circumstances of the (alleged) fraud, the suspected principals involved and an estimate of donor funds concerned.
3. Describe any action already taken, the proposed follow-up actions, including plans or results of a forensic audit.
4. Share the draft terms of reference of any investigation exercise for comment with Irish Aid before tendering the exercise to a third party.
5. Share all relevant documentation that might reasonably be requested by Irish Aid.
6. Maintain constant contact with Irish Aid until the fraud case is thoroughly investigated and the case deemed closed by Irish Aid.

Aidlink respects the requirements of the Data Protection legislation while also actively participates in the exchange of information with external agencies on fraud and corruption. Refer to Aidlink Data Protection Policy.

## **7.0 Actions arising from Fraud Investigations**

Persons who are found guilty of fraud will be dealt with in accordance with the HR Policy on Disciplinary Action.

- Proven allegations of fraud by staff may result in the employee's dismissal.
- Where appropriate and considering the local context Aidlink will report fraud to the local law enforcement agencies with a view to initiating criminal prosecution.
- If Aidlink has suffered a loss, full restitution will be sought of any benefit or advantage obtained, and the recovery of costs will be sought from the organisation and/or individual responsible for the loss.

An investigation of fraud may highlight a weakness in Aidlink's internal controls, this should be recorded, and the best course of action to strengthen controls in the future should be implemented when the full report is complete.

## **8.0 Review of this Policy**

This policy will be reviewed on an annual basis.

## **Appendix**

### **1.0 Annexe – COVID-19 pandemic (2020)**

The spread of the Covid-19 virus is having an impact on development programmes – from implementation to reporting. The implementation of, and ongoing modifications to our current programmes have implications for our monitoring and evaluation (M&E) system and in turn, Aidlink's Anti-Fraud policy. Programmatic adjustments alter reporting processes, but the process of Aidlink's M&E system will also have to pivot as traditional methods of documentation are not viable during the COVID-19 pandemic.

1.0 Annex reaffirms Aidlink's Anti-Fraud and Response Plan in the wake of the Covid-19 pandemic:

1.
  - a. Aidlink's implementing partners are responsible for managing projects and programmes in areas where projects are being implemented, and more generally, the country where the project and programme are being implemented. Implementing partners are responsible for identifying fraud risks when setting up programmes and designing the right control, assurance and monitoring arrangements.
  - b. Aidlink's CEO, with oversight from the Aidlink Board of Directors, with regard to fraud, set quality-controls and set the policy, processes and direction and provide support for the frontline staff, including training on fraud, risk and control. Adjustments set to mitigate the likelihood and impact of fraud, given the limitations now in place because of Covid-19 are as follows:
    - i. Aidlink will triangulate implementing partners monitoring reports with key informants – government / NGOs / media.
    - ii. Conduct remote interviews with field staff and beneficiaries – using agreed templates and questionnaires.
    - iii. Weekly meetings with implementing partners programme management (meeting minutes saved and filed.)
    - iv. Aidlink will endeavour to procure local external consultant agencies to conduct monitoring and evaluation.
  - c. Aidlink's Board of Directors is responsible for investigating all allegations of fraud.

2. Aidlink staff, implementing partners, suppliers and delivery partners are encouraged to report suspicions about spending within its programmes. In addition, contracts and grant agreements with suppliers now include fraud reporting as a mandatory requirement.
3. Aidlink will assess each allegation of fraud or suspicious activity using a triage system and assigns a priority level based on the value of the potential loss, the potential damage to Aidlink's reputation or impact on the delivery of Aid. Aidlink will either carry out their own investigation or provide support and oversight to fraud investigations carried out by implementing partners.
4. Aidlink will focus on recovering as much money as possible. Where fraud has been committed, the decision of an appropriate course of action is made on a case-by-case basis. Available sanctions include:
  - a. dismissal of individual staff members;
  - b. pausing funding for programmes until investigations are complete and funds recovered;
  - c. terminating programmes early or decide not to renew agreements; and
  - d. taking individuals to court if this is judged a proportionate course of action.
5. Aidlink will report fraud information internally to its audit committee; conduct reviews and lessons learned exercises on particular countries and programmes, where relevant.

#### **Annexe 2.0 Resources relating to cybercrime.**

<https://www.charitiesregulator.ie/media/1925/protecting-your-charity-from-cybercrime.pdf>

<https://www.charitiesinstituteireland.ie/our-blog/2018/2/19/charities-guide-to-better-cyber-security>

<https://www.dataprotection.ie/en/organisations/know-your-obligations/data-security-guidance>