
FRAUD AND CORRUPTION CONTROL GUIDELINE

For CCRD's project managers and staff

PURPOSE

The purpose of this policy is to:

- Ensure CCRD reputation, assets, revenue, expenditure, and facilities are safe guarded against fraudulent or corrupt behaviour; and
- Outline the processes and mechanisms for preventing, reporting, and investigating incidents of fraudulent activity in and against CCRD.
- Manage fraud and corruption of sub-partners.

PRINCIPLES

- The policy sets the standards of ethical behaviour expected of CCRD staff, consultants, and volunteers. Staff should abide by the principles set out in this policy. Staff and other individuals who enter a range of relationships with CCRD (including sub-partners, visiting fellows and volunteers) have a responsibility to act honestly, responsibly, and impartially in accordance with the policy.
- Fraud and corruption prevention, control and reporting are the responsibility of all staff, sub-partners, consultants, and volunteers.

RELEVANT INFORMATION

CCRD faces a wide range of potential fraudulent conduct by both internal and external parties, and has put in place various mechanisms to address the risks arising from any incident of fraud. Fraud includes, but is not limited to:

- theft.
- obtaining property, a financial advantage, or any other benefit by deception.
- causing a loss or avoiding or creating a liability by deception.
- providing false or misleading information to CCRD or failing to provide information where there is an obligation to do so.
- making, using, or possessing forged or falsified documents.
- bribery, corruption, or abuse of position.
- unlawful use of CCRD assets including computers, vehicles, telephones and other property or services.
- divulging confidential information to outside sources.
- subverting, or interfering with CCRD computer and internet systems and devices.
- falsification of research results.
- falsification of qualifications.
- fabrication of research articles.
- identity theft; and
- theft or leaking of examination papers.

FRAUD PREVENTION AND CONTROL STRATEGIES

CCRD has the following fraud prevention and control strategies in place:

- The BOD ensures that CCRD fraud and corruption control policy is reviewed and trained to staff/sub-partners regularly (3 years).
- The BOD will ensure that measures are in place to raise awareness among staff/sub-partners in their area of fraud risks and controls, including by disseminating information about fraud prevention and mechanisms for reporting suspected fraud.

REPORTING SUSPECTED FRAUD

- Staff, consultants, sub-partners, and volunteers who become aware of suspected fraud or corruption should report such suspicion to CCRD point of contact assigned, BOD, financial manager, or their supervisors.
- Any reports of suspected fraud or corruption that are made to CCRD must be referred to the BOD. The BOD will also ensure that the Chief Accountant/ Finance Manager has been informed of any reports of suspected financial fraud.
- A person who reports suspected fraud can be anonymous or with name, but the reporter should provide as much information as possible, including details of any person they believe to be involved and the actions or activities they believe to be fraudulent, including how, when and where those actions or activities occurred. However, they should not investigate the matter themselves, as this may compromise a subsequent investigation. All frauds reported are treated equal in the investigation procedure.
- The BOD will provide confidential and independent advice to staff and managers in relation to processes for the management and administration of instances where fraud is suspected.
- CCRD does not tolerate vexatious and frivolous reports and may initiate disciplinary proceedings where reports of this nature are found.
- CCRD may have an obligation to report an incident to another external body where there is obligation under an agreement or other legislative instrument.

INVESTIGATION OF SUSPECTED INCIDENTS OF FRAUD

On the basis of the initial information supplied, the BOD will assess whether the allegation of fraud:

- appears to be without foundation or to be not made in good faith; or
- warrants further investigation and/or other appropriate action.

In deciding the appropriate action to take, the BOD will take into account such factors as:

- the nature of the alleged fraud.
- the cost or value of the alleged fraud.
- the potential damage to the integrity or reputation of CCRD
- the likely cost of taking action, including the cost of recovering financial losses or property.
- the likely benefit of taking action, including the deterrent value.
- whether it is likely that the fraud is systemic or targeted, rather than an isolated or opportunistic incident.
- the likelihood that the fraud was committed by an external party with internal assistance; and
- any possible ongoing risks arising from the fraudulent conduct, including any security implications.

Investigations will be carried out by appointed persons within or external to the CCRD.

REFERRAL TO POLICE

1. The BOD will refer instances of potential serious or complex fraud offences to the police. Minor or routine instances of fraud, that is, fraud that would be unlikely to be investigated by the police, will be investigated internally or by an external investigator appointed by CCRD.

2. When a matter has been referred to the police, CCRD will provide assistance as requested in the investigation process, including by giving access to official records.

REVIEW OF INTERNAL CONTROLS

If fraud is found to have occurred, BOD in conjunction with internal audit is responsible for reviewing the internal controls in the relevant area and implementing enhanced controls where appropriate to prevent a recurrence.

RESPONSIBILITIES

The following table outlines responsibilities associated with this procedure:

| Officer or body | Responsibilities |
|--------------------------------|---|
| Auditors | <ul style="list-style-type: none"> • Review and advise on the appropriateness of CCRD process for effective identification and management of fraud risks; • Endorse the CCRD's fraud control policy |
| Board of Directors | <ul style="list-style-type: none"> • Foster an environment that makes active fraud and corruption control the responsibility of all staff. • Ensure that appropriate measures are in place in relation to fraud prevention and detection • Ensure that appropriate internal controls are in place and operating effectively to minimise fraud risks (including by ensuring appropriate record keeping practices are in place); • Develop and review CCRD fraud and corruption control policy • Coordinate fraud risk assessment activity across the CCRD; • Receive reports of suspected fraud and take appropriate action; • Arrange fraud awareness training for relevant staff. • Ensure that agreed recommendations relating to fraud in external audit reports are implemented promptly. |
| Chief Financial Officer | <ul style="list-style-type: none"> • Review, on an ongoing basis, the financial fraud controls to ensure they are effective in minimising financial fraud risks; • Provide assurance on the adequacy of the CCRD financial fraud control arrangements to the external auditors annually, through management representation letters. |
| All staff and students | <ul style="list-style-type: none"> • Act in accordance with the Code of Conduct policy when undertaking their duties and representing CCRD; • Disclose to their supervisor any material personal interest that relates to the affairs of CCRD; • Undertake appropriate record keeping; • Report any suspicions of, or information relating to any instance of, fraudulent conduct to their supervisor or the BOD • Encourage others to make such reports; • Deal with all reports of suspected fraud professionally and promptly. |

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