

## **Policy on Anti-Bribery and Financial fraud**

### **The Policy Statement**

LEPRA Society aims to conduct all of its services with transparency in an honest and ethical manner and comply with all laws against bribery, financial fraud, financial theft and corruption. LEPRA Society takes a zero-tolerance approach to bribery, financial fraud, theft and corruption and is committed to acting professionally, fairly and with integrity in all its dealings wherever it operates. LEPRA Society is also committed to implement and enforce effective systems to counter all financial frauds, theft, corruption and bribery.

### **Indian Context**

The focus of the Indian law is on the Public Sector and does not extend itself to the Private Sector. The primary legislation in India in this context is called the Prevention of Corruption Act, 1988. According to this law, bribe taking by a public servant and bribe giving are equally wrong and, in the event of conviction, both are punishable by anywhere between 6 months and 5 years imprisonment and they shall also be liable to fine.

### **Scope of the Policy:**

This policy applies to all individuals working at all levels and grades, irrespective of nature of employment, duration of appointment. Including all other employees (whether permanent, fixed-term or temporary), consultants, contractors and any other person providing services to LEPRA Society.

Everyone at LEPRA Society must show that all services are performed to the highest ethical standards and complies both with this policy and all applicable laws.

### **Definition(s):**

#### **Bribe:**

(i) A financial or other advantage offered or given:

- To anyone to persuade them to or reward them for performing their duties improperly or;
- To any public official or officer of any private organisation with the intention of influencing such official in the performance of his duties.

(ii) A financial or other advantage / consideration received or sought/solicited

- From any one to reward for performance of their/his duties or;
- Bribery is the offering, promising, giving, solicitation to any person or the receipt or agreement to receive any financial or other advantage, or any other inducement / consideration from any person or company, (wherever they are situated and whether they are a public official or body, or a private person or company) by an individual employee, agent or other person or body acting on another's behalf.

**Fraud:** is wrongful or criminal deception intended to result in financial or personal gain.

**Theft:** is the act of taking another person's property or services without that person's permission or consent with the intent to deprive the rightful owner of it.

**Corruption:** is dishonest or fraudulent conduct to acquire illicit benefits or abuse power for one's personal gain or abuse of power for personal gain

**Rewards / Recognition;** Gifts and entertainment must only be offered and accepted for conventional social and business purposes at a level appropriate to the status and seniority of those involved.

The test when considering gifts and entertainment (whether giving or receiving them) is whether they could be intended, or even be reasonably interpreted, as a reward or encouragement for a favor or for preferential treatment – if they could be, then they are not permitted under this policy.

While giving gifts, they must be given openly, unconditionally, must be of modest value. Participation of Government officials in conferences and meetings related to the programme can be supported as a token of appreciation of their work and motivation to sustain interest in the continuity of the service to the affected and must and should be limited to travel within the country. Gift should be confined to giving memento, appreciation letters.

Gifts and entertainment must never be offered or accepted to obtain or retain services or for reward or inducement. Any deviations from the policy must be approved in advance in writing by Senior Management and must be recorded.

In terms of receiving gifts or cash, no cash can be received or accepted by staff of LEPRA Society to obtain or retain services or for reward or inducement or a favor for a partner organisation or an individual. Gifts received on social occasions on behalf of the organisation must be recorded and taken on inventory of the organisation.

**Practices, which could be construed as unethical and some form of bribe working in the field of Social development**

- Connivance of staff with any third party or person during sale/auction of assets/recruitment and awarding any contract or agreement. Staff involved in the process should give a declaration that they do not have any linkage whatsoever with a particular activity.
- Staff member should avoid receiving any gift of any nature from the community they are working and should not buy anything from an individual or stakeholder while on duty or in an organisational capacity.
- Avoid receiving any gift even offered in good spirit, in order to maintain relationship they can symbolically receive a small part of the offering.
- Avoid using position and power within the Organisation or outside in order to favour someone and taking undue advantage of Organisational assets, manpower and other resources.
- Avoid or refuse receiving personal gifts on birthday, wedding anniversary including voucher or cash equivalent from partners, clients and other third parties.
- Staff should avoid receiving hospitality from third party in form of paying hotel bills and travel expenses.

To ensure transparency and openness of all Gift & Entertainment should be recorded on a monthly basis and this may be reviewed quarterly by the committee and reported to the audit committee annually.

**Prohibited conduct by the Staff**

- **Making unofficial payment to any official or person**
- **Influencing position for appointing any third party**
- **Assurance of job/contract/benefit to any person or party**
- **Taking unfair advantage**
- **Receiving or giving any cash or favour or any consideration in any form.**

### **Failure to comply with the Policy**

The potential consequences of not complying with these Policies include the following:

#### **If found Guilty within the purview of LEPRA Society**

- Repayment of any profits received;
- Termination of contracts
- Disciplinary action.

#### **If found Guilty by Civil Authorities**

Punishable under the Prevention of Corruption Act, 1988

LEPRA Society always gives its full support to anyone refusing to pay a bribe whatever the inconvenience, loss of services or extra costs involved for LEPRA Society. However, in all circumstances, an employee must not take any step which is likely to endanger either his/her or another person's safety.

#### **Raising Concerns/Whistle Blowing**

All employees are encouraged to raise concerns about any issue or suspicion of malpractice actual or suspected cases of bribery, financial fraud, theft and corruption, at the earliest possible stage. No employee will suffer any detriment as a result of raising genuine concerns about any kind financial fraud/ bribery, even if they turn out to be mistaken.

We believe it is essential to create environment in which each employee feels able to raise matters of genuine concerns internally without any fear of disciplinary action being taken.

Where anyone believes that the policy is not being complied with, or they are being asked to perform any act that is not in compliance with the policy, these concerns must be raised immediately with the immediate superior.

If the immediate superior is not the appropriate person, then the employee's concerns must be brought directly to the attention of the Director/State Coordinators of the respective region and or respective Heads of Department.

### **Monitoring**

The effectiveness of this policy will be regularly reviewed by the Chief Executive/ authorized representative of the Senior Staff and an internal control systems and procedures, and will be subjected to audit under the internal programmer review process.

This will be done during program and financial reviews and routine monitoring of projects and activities by Finance Officers, Project Officers, Project Coordinators, Medical Coordinators, Finance Coordinators, Human Resource Executives and State coordinators etc. The implementation of Anti-Bribery Policy needs to be reviewed. The implementation of Anti-Bribery Policy is entrusted to all managers by including monitoring in job descriptions. At the organizational level, it will be responsibility of Internal Complaints committee.

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