

# **IIRR Comprehensive Anti-Fraud & Corruption Policy**

## **Introduction and Purpose**

IIRR is committed to operating with the highest standards of integrity, accountability, and transparency in all its activities and relationships. Fraud, corruption, bribery, and financial misconduct undermine public trust, compromise development outcomes, and threaten the safety and dignity of the communities we serve. IIRR maintains a zero-tolerance stance toward all forms of fraud, bribery, corruption, embezzlement, money laundering, and abuse of position.

This policy defines the principles, responsibilities, prevention systems, and response mechanisms through which IIRR safeguards its resources, beneficiaries, partners, and reputation. Its purpose is to ensure that all designated stakeholders understand their obligations, prevent illicit activities, report concerns promptly, and support IIRR's culture of ethical conduct.

## **Policy Scope and Applicability**

This policy applies to IIRR's headquarters and all country offices, branches, programs, and future operational units. It applies to all staff—including core, contract, consultancy, retainer, and temporary workers—as well as board members, volunteers, interns, implementing partners, contractors, suppliers, sub-grantees, grantees, agents, research institutions, and any third party representing IIRR.

All partners are expected to adopt comparable anti-fraud standards and internal controls consistent with this policy and relevant donor requirements.

## **Definitions and Prohibited Conduct**

Fraud includes any intentional deception designed to secure unlawful or unfair financial or personal gain or to cause loss to another party. It includes misappropriation of assets, falsification of records, collusion, conflict-of-interest abuses, and failure to disclose relevant information. Bribery refers to offering, giving, requesting, or accepting anything of value—including gifts, favors, money, or hospitality—to improperly influence actions or secure an unfair advantage. Corruption refers broadly to abuse of entrusted power for private gain. These acts may occur through direct action or through intermediaries and include interactions with government officials, private entities, partners, or beneficiaries.

Improper payments, facilitation payments, kickbacks, excessive or concealed commissions, the use of shell companies, fraudulently altered documents, and misrepresentation of program expenses are strictly prohibited. All assets—including financial resources, physical property, digital systems, data, intellectual property, and relationships—must be protected from misuse.

## **Organizational Commitment**

IIRR is committed to establishing and maintaining an anti-fraud culture that empowers staff and partners to act with integrity. The organization will implement strong internal controls, conduct regular fraud risk assessments, ensure transparent financial management, respond swiftly to suspected wrongdoing, and pursue disciplinary, legal, and recovery actions in all substantiated cases. IIRR will comply with national laws in all countries of operation, as well as donor-mandated fraud reporting requirements. The organization encourages early reporting, protects whistleblowers from retaliation, and continuously improves systems based on lessons learned.

## **Responsibilities of Staff, Leadership, and Partners**

All staff and stakeholders are responsible for safeguarding IIRR's assets, adhering to codes of conduct, declaring conflicts of interest, seeking guidance when in doubt about ethical issues, and reporting concerns immediately. Staff must cooperate fully with audits, investigations, and due-diligence processes. Supervisors are responsible for promoting ethical behavior, ensuring compliance with controls, and responding appropriately to concerns raised.

Senior leadership and the Board of Trustees are responsible for ensuring that policies are implemented effectively and that resources are allocated to strengthen internal controls, training, and oversight mechanisms.

## **Internal Controls and Fraud Prevention Systems**

IIRR maintains a comprehensive internal control framework that includes segregation of duties, mandatory authorization processes, transparent procurement systems, financial reconciliation procedures, and regular audits. Risk-sensitive activities—such as procurement, financial disbursement, cash handling, expense reimbursement, partner contracting, and asset management—must follow established procedures designed to reduce opportunities for fraud. All transactions must be documented accurately, recorded promptly, and supported by verifiable evidence. Staff must avoid creating or approving any document that is false, incomplete, or misleading.

## **Fraud Risk Assessment**

Country Directors and Unit Managers are responsible for conducting regular fraud risk assessments that identify potential vulnerabilities, assess likelihood and impact, and propose mitigation measures. These assessments must reflect known fraud schemes, control gaps, red flags, and contextual risks, including those related to operating environments with weak governance or high corruption. The results must inform program design, budgeting, partner selection, and monitoring systems. Risks must be updated periodically and included in the organizational risk register.

## **Conflict of Interest and Gift Rules**

All staff, volunteers, and third parties must disclose actual or potential conflicts of interest annually and whenever circumstances change. Staff must avoid situations in which personal interest could improperly influence their official duties. Acceptance or provision of gifts of significant value is prohibited, except for nominal items typically exchanged in professional contexts (under USD 10), and these must still be reported to one's supervisor. Any honor, decoration, or benefit offered by external entities must be disclosed immediately. Staff are prohibited from soliciting personal favors or using their position for personal gain.

## **Due Diligence and Partner Oversight**

IIRR conducts due diligence on all suppliers, consultants, grantees, and implementing partners to verify their integrity, financial controls, ownership, political exposure, and capacity. Partners must sign agreements that contain anti-fraud and anti-corruption clauses and commit to adopting comparable controls. Partnerships may be suspended or terminated if a partner fails to comply with these standards. Unusual, incomplete, or evasive information provided during due diligence is considered a red flag and must be reported.

## **Fraud Awareness, Training, and Organizational Culture**

IIRR reinforces its anti-fraud culture through regular communication, ethics advice, and mandatory annual training. All staff must complete periodic fraud and corruption awareness training, including training on financial controls, red flags, record-keeping, and reporting obligations. Managers are expected to encourage open discussion of concerns, promote a culture of transparency, and demonstrate ethical leadership.

## **Reporting Suspicious Conduct**

Any stakeholder may report suspected fraud, bribery, corruption, or unethical behavior to their immediate supervisor or to any higher-level manager if the concern involves the supervisor or if the individual is uncomfortable reporting at the initial level. Concerns may also be reported to designated counter-fraud champions, the Country Director, or the Board of Trustees, depending on the nature of the allegation. Anonymous reports are permitted. Reports made in good faith will not result in retaliation of any kind. All reports must be documented and submitted promptly to ensure timely action.

## **Initial Assessment and Investigation Process**

All allegations undergo an initial assessment to determine credibility, severity, and potential harm. The immediate supervisor, in consultation with relevant leaders, may appoint an internal investigative team or an independent external investigator depending on the complexity or sensitivity of the case. Investigations must follow a neutral, confidential, evidence-based process that includes identifying involved parties, interviewing witnesses, collecting and

reviewing documentation, triangulating evidence, and reaching a factual conclusion. Investigators must maintain impartiality and keep designated leadership updated throughout the process.

### **Reporting of Investigation Results**

At the conclusion of an investigation, the investigator prepares a written report that outlines the background of the case, investigative steps taken, findings, conclusions on substantiated or unsubstantiated allegations, and recommendations for corrective action, internal control improvements, and recovery of losses. Leadership records decisions made in response to the report, including disciplinary measures, legal action, partner notification, donor reporting, and procedural reforms.

### **Confidentiality and Data Protection**

All information related to reports, investigations, and findings must be handled with strict confidentiality. Only individuals with authorized roles may access documentation. Records must be maintained securely and stored in compliance with applicable data protection laws and donor requirements. The identity of whistleblowers and survivors must be protected to the fullest extent possible, and no individual may disclose investigation-related information outside authorized channels.

### **Safeguarding and Protection of Whistleblowers**

IIRR prohibits retaliation, intimidation, threats, or discrimination against any person who reports suspected wrongdoing in good faith. Individuals who report concerns must be treated with respect, provided protection, and shielded from adverse consequences. Allegations of retaliation will be investigated promptly and addressed through disciplinary action, including termination when substantiated. The organization also provides appropriate support to individuals affected by fraud or corruption.

### **Corrective Actions, Discipline, and Legal Remedies**

Corrective actions may include disciplinary measures, contract termination, suspension, warnings, restitution, or referral to law enforcement authorities. Negligence that contributes to failure in detecting or preventing fraud may also result in disciplinary action. IIRR will pursue recovery of financial losses to the extent possible and may suspend or end relationships with partners who violate this policy. Cases involving criminal activity will be referred to relevant authorities.

### **Three Lines of Defense and Oversight**

IIRR adopts the internationally recognized three-lines-of-defense model. Country Directors and Unit Managers serve as the first line, responsible for day-to-day prevention and monitoring of

fraud risks. The Global Management Team provides the second line by establishing policies, controls, guidance, and compliance oversight. Independent reviewers—including internal auditors, external auditors, and specially appointed investigators—constitute the third line, offering objective assurance and investigating allegations of misconduct.

### **Red Flags and Early Warning Indicators**

All staff must remain vigilant for signs that may indicate fraud risk, including unusual financial discrepancies, missing documentation, unexplained cash transactions, altered records, use of shell entities, excessive reliance on intermediaries, inflated invoices, unusual payment requests, suspicious behavior, or irregularities in procurement, digital systems, or partner performance. Encountering a red flag requires immediate reporting.

### **Continuous Improvement and Review**

IIRR is committed to continuous strengthening of its anti-fraud systems. This policy will be reviewed annually or sooner when new risks emerge, donor requirements change, incidents occur, or legal obligations evolve. Lessons learned from investigations, audits, and program reviews will be incorporated into updated controls, training, and procedures. Feedback from staff and partners will be integrated to enhance effectiveness.

### **Conclusion**

Fraud, corruption, and financial misconduct pose significant risks to the mission and integrity of IIRR. By maintaining robust systems, cultivating a culture of ethical behavior, and responding decisively to wrongdoing, IIRR ensures that its resources are used responsibly and that its work strengthens—rather than undermines—the trust of the communities and partners it serves. Every stakeholder has a role to play in upholding this commitment. Together, we safeguard IIRR's reputation, impact, and accountability.