

# Humanitarian Response & Development Foundation (HRDF)

## Anti-Fraud, Anti-Bribery & Anti-Corruption Policy Handbook

### Approved by: HRDF Board of Directors

Applies to: Staff, Partners, Vendors, Sub-grantees, Consultants, Community Committees,  
Volunteers

#### 1. Executive Summary

At the Humanitarian Response & Development Foundation (HRDF), we believe that **trust is our strongest asset**. Communities open their doors to us because they trust us. Donors partner with us because they trust our integrity. Staff and volunteers choose us because they trust our mission.

Fraud, bribery, corruption, and misuse of resources directly damage this trust and can harm the very people we are trying to help. This policy outlines HRDF's **zero-tolerance** approach to all forms of fraud and corruption, aligned with international donor standards including **UN agencies, INGO frameworks, OECD, USAID, FCDO, EU/ECHO, and Pakistan's legal system**.

This document is written to speak directly to **you** the staff member, partner, volunteer, supplier, or community representative working with us so that together we protect the organization, communities, and our mission.

#### 2. Purpose of the Policy

The purposes of HRDF's Anti-Fraud, Anti-Bribery & Anti-Corruption Policy are to:

1. Prevent, detect, and address fraud, bribery, corruption, and misuse of resources.
2. Ensure full compliance with Pakistan laws and international donor requirements.
3. Promote an organizational culture of integrity, transparency, and accountability.
4. Guide all HRDF personnel and partners on expected standards of ethical conduct.
5. Outline clear reporting mechanisms and investigation procedures.

#### 3. Scope & Applicability

This policy applies to:

- HRDF employees (full-time, part-time, temporary, probationary)
- Volunteers, interns, community mobilizers
- Board members and governance representatives
- Consultants, technical experts, contract staff
- Vendors, suppliers, service providers
- Implementing partners, sub-grantees, community committees
- Anyone acting on behalf of HRDF

No individual or partner is exempt from this policy.

#### 4. HRDF's Commitment to Integrity

HRDF commits to:

- Zero tolerance for fraud, bribery, and corruption
- Transparent procurement, finance, and HR systems
- Ethical decision-making rooted in our humanitarian values
- Protecting whistleblowers and victims
- Cooperating fully with donor audits and investigations
- Taking disciplinary or legal action when violations occur

**Integrity is not optional it is essential for community impact.**

## **5. Definitions (Donor-Standard)**

### **Fraud**

Any intentional act to obtain financial or personal benefit through deception.  
Examples: fake receipts, inflated invoices, forged signatures, misreporting.

### **Bribery**

Offering or receiving anything of value to influence a decision.  
Examples: cash, gifts, favors, commissions.

### **Corruption**

Abuse of power for personal gain.  
Examples: favoritism in procurement, misuse of donor assets.

### **Embezzlement**

Stealing or using HRDF/donor property for personal use.

### **Conflict of Interest**

When personal interests interfere with professional duties.

### **Collusion**

Agreement between two or more parties to cheat HRDF/donor systems.

### **Extortion**

Forcing someone to give benefits under pressure.

### **Kickbacks**

A vendor returning part of a payment to secure a contract.

### **Facilitation Payments**

Small unofficial payments to speed up processes, strictly prohibited.

## 6. HRDF Guiding Principles

- **Humanity:** Resources must reach those who need them most.
- **Integrity:** Every transaction must be honest and transparent.
- **Accountability:** Everyone is answerable for their actions.
- **Do No Harm:** Misuse of funds harms communities, we prevent it.
- **Stewardship:** Donor resources are a public trust.
- **Community-Centered:** Community feedback guides our actions.

## 7. Prohibited Conduct (Zero Tolerance)

The following acts are strictly forbidden:

### Fraudulent Activities

- Fabricating, altering, or destroying financial documents
- Creating fake beneficiary lists
- Manipulating attendance sheets, distribution lists, or reports

### Bribery & Illegal Payments

- Accepting or offering bribes, gifts, or favors
- Requesting unofficial payments from partners or beneficiaries
- Paying government staff on behalf of HRDF

### Procurement Misconduct

- Collusion with vendors
- Tailoring specifications to favor one supplier
- Receiving personal benefits from suppliers

### Misuse of Assets

- Unauthorized use of HRDF vehicles, equipment, or funds
- Using donor money for personal or family matters

### Reporting Manipulation

- Falsifying monitoring/verification data
- Misrepresenting achievements to donors

### Interference with Investigations

- Intimidating witnesses
- Hiding documents
- Destroying evidence

## 8. Red Flags & Risk Areas (Donor-Required)

Fraud can happen anywhere, but certain areas require extra attention:

## **Procurement**

- Single vendor repeatedly winning
- Same handwriting on multiple quotations
- Vendors related to staff members

## **Finance**

- Missing receipts
- Overpayments
- Delayed reconciliations

## **HR & Recruitment**

- Nepotism
- Fake degrees
- Unqualified candidates selected

## **Field Operations**

- Ghost beneficiaries
- Duplicate households
- Manipulated distribution lists

## **Partnerships**

- Unverified partner capacity
  - Weak financial controls
  - No proof of work completed
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## **9. Roles & Responsibilities**

### **Board of Directors**

- Ensure oversight and governance
- Approve investigations & sanctions

### **Executive Director / CEO**

- Champion integrity across HRDF
- Approve fraud response actions

### **Senior Management**

- Implement controls
- Ensure compliance across departments

### **Finance Department**

- Maintain accurate, transparent records
- Implement financial risk controls

### **Procurement Lead**

- Ensure fair, competitive procurement
- Maintain vendor due-diligence documents

### **Compliance Officer**

- Receive complaints
- Conduct investigations
- Report findings to leadership and donors

### **All Staff & Partners**

- Follow this policy
- Report suspicions immediately

## **10. Reporting & Whistleblowing Mechanisms**

### **How to Report**

Reports can be made through:

- Email hotline
- Direct contact with Compliance Unit
- Anonymous written complaint
- Community feedback mechanisms
- Donor reporting channels

### **Protection from Retaliation**

HRDF guarantees:

- No retaliation
- No discrimination
- No job loss or punishment
- Full confidentiality

Whistleblowers are heroes—not troublemakers.

## **11. Investigation Procedures**

### **Step 1: Preliminary Review**

Assess credibility of allegation (24–72 hours).

### **Step 2: Investigation Team Formation**

Compliance + Finance + Senior Management (as required).

### **Step 3: Evidence Review**

- Documents
- Interviews
- Procurement records
- Financial audits

### **Step 4: Findings & Recommendations**

Written report submitted to Executive Director & Board.

### **Step 5: Corrective Actions**

- Disciplinary action
- Contract termination
- Legal escalation
- Recovery of funds
- Donor notification

## **12. Consequences of Misconduct**

Depending on severity:

- Verbal/written warnings
- Suspension or termination
- Partner contract termination
- Blacklisting of vendors
- Reporting to police or NAB
- Repayment of misused funds
- Legal prosecution under Pakistan law

## **13. Partner & Vendor Requirements**

All partners must:

- Sign a commitment of compliance
- Maintain transparent records
- Provide staff training
- Allow HRDF audits
- Cooperate fully in investigations
- Report all fraud cases immediately

Failure to comply = disqualification or contract termination.

## **14. Conflict of Interest Policy**

Staff and partners must disclose:

- Family relationships with vendors
- Personal business interests
- Secondary employment

- Gifts above INR 1,500
- Any relationship that could affect decision-making

All disclosures must be written, signed, and approved.

## **15. Procurement Integrity Standards**

Procurement must follow:

- Competitive bidding
- Transparency
- Conflict-free vendor selection
- Vendor rotation
- Blacklist management
- Documentation of every step

High-risk procurement requires compliance approval.

## **16. Training & Awareness**

HRDF will provide:

- Mandatory staff induction sessions
- Annual compliance training
- Partner and vendor orientation
- Community-level awareness messages

Training is not optional.

## **17. Monitoring, Audits & Donor Reviews**

HRDF welcomes and cooperates with:

- Donor audits
- Third-party monitoring
- Verification visits
- Internal audits
- Financial reviews
- Procurement checks

## **18. Safeguarding Linkages**

Fraud and corruption can intersect with:

- Sexual exploitation
- Abuse of power
- Protection risks
- Data misuse

This policy works alongside:

- HRDF Safeguarding Policy
- HRDF Child Protection Policy
- HRDF Financial Manual
- HRDF Procurement Manual

## **19. Record Keeping**

HRDF will maintain:

- Fraud register
- Investigation logs
- Incident reports
- Corrective action records
- Vendor documentation
- Partner compliance files

Records must be kept for **7 years**.

## **20. Policy Acceptance & Declaration**

All staff, partners, vendors, consultants, and committee members must sign the:

- Compliance Acknowledgment
- Conflict of Interest Statement
- Non-Bribery & Integrity Commitment
- Confidentiality Agreement

No one may begin work without signing.

### **Annexes (Will be included in final Word/PDF)**

1. Fraud & Corruption Incident Reporting Form
2. Investigation Response Matrix
3. Vendor Due-Diligence Checklist
4. Partner Compliance Checklist
5. Staff Declaration Form (Signature Required)
6. Definitions List
7. Sample Risk Assessment Template