

# Malaria Consortium

## Anti-Fraud and Anti-Corruption Policy



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## 1. Purpose and context

The aim of Malaria Consortium's fraud and anti-corruption policy is to minimise fraud through a series of measures, including clear policies and processes, regular internal and external audits and training for all persons working for us or on our behalf in any capacity, whether paid or unpaid (together, "staff") and wherever located, unless local legal requirements are more rigorous.

The purpose of this policy is to:

- a) set out our responsibilities, and of those of the staff working for us, in observing and upholding our position on fraud and corruption; and
- b) provide information and guidance to staff working for us on how to recognise and deal with fraud and corruption issues.

## 2. Principles and Scope

It is Malaria Consortium's policy to conduct all of its business and operations in an honest and ethical manner and to maintain an untainted reputation with its donors, partners, beneficiaries and vendors. We take a zero-tolerance approach to fraud and corruption and are committed to acting professionally, fairly and with integrity in all our business, operations and relationships wherever we operate and implementing and enforcing effective systems to counter fraud and corruption

Malaria Consortium will uphold all laws relevant to countering fraud and corruption. However, we remain bound by UK laws, including the Fraud Act 2006, in respect of our conduct both in the UK and overseas.

Malaria Consortium is committed to investigate any and all suspected acts of fraud, misappropriation or other similar irregularity. We consider that detecting fraud and corruption is everyone's responsibility and if any incident or potential incident is discovered, Staff are expected report it immediately, as required by Malaria Consortium's Whistleblowing policy.

All Malaria Consortium staff are expected to maintain integrity in all actions and must avoid circumstances that compromise their decisions or actions. All staff must ensure that this policy and the wider ethical business practices and interests of the organisation are observed.

This policy does not form part of any employee's contract of employment and we may amend it at any time.

### 3. What is fraud?

There are many different types of fraud and the methods used, particularly given recent technological advancements, are constantly evolving. Generally, speaking, fraud is a form of dishonesty and all acts of fraud include some dishonest element.

In the UK, the Fraud Act 2006 provides for three types of fraud offences:

- by false representation;
- by failure to disclose information; or
- by abuse of position,

in each case, in order to make a gain for themselves or another or to cause or expose another to a risk of loss.

#### “Gain” and “loss”

The terms gain and loss used above relate to gains or losses in money or other property (both temporary and permanent). Keeping what you already have may constitute a gain (as well as obtaining what you do not have) and not obtaining something that you might, may cause a loss (as well as departing with something already owned).

The Fraud Act also includes other fraud related offences including, possessing, making or supplying articles for use in fraud and obtaining services dishonestly with an intention to avoid payment.

Fraud covers an act of deception, bribery, forgery, extortion, theft, misappropriation, false representation, conspiracy, corruption, collusion, embezzlement, or concealment of material facts.

Examples of Fraud applicable to Malaria Consortium’s operations include, but are not restricted to, the following:

- Signing for receipt of goods or services not yet received or completed.
- Falsifying time sheets or payroll records.
- Falsifying travel and entertainment expenses.
- Fictitious reporting of receipts from suppliers or shipments to customers.
- Creation of false invoices or purchase orders, including the back-dating of documents.
- Misappropriation of Malaria Consortium and donor equipment, resources and even data.
- Misstatement of income.
- Misstatement of assets.
- Understatement of liabilities.
- Paying bribes, that is payment to another person to induce a certain action from them, this includes payments to officials such police officers requesting unofficial payments on road blocks (see also Malaria Consortium’s Anti-bribery and Corruption Policy).
- Receiving money or gifts in order to undertake a certain action for example ordering with a specific supplier.
- Obtaining Malaria Consortium income or assets by deception.
- Claiming to provide services to beneficiaries that do not exist, and other forms of identify fraud.

## 5 Application

### Your responsibilities

You must ensure that you read, understand and comply with this policy.

The prevention, detection and reporting of fraud and other forms of corruption are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify your line manager or the Internal Audit Manager as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

### Steps to mitigate occurrence

Malaria Consortium adopts the following anti-fraud measures to minimise its risk from fraudulent activity:

- Clear policies on the expected conduct of staff in the organisation, for example Anti-Bribery Policy and Code of Conduct communicated as part of the induction programme and updates to staff in team meetings.
- Recording and investigations of all incidences, including suspected and confirmed fraud, in line with Malaria Consortium's Guidance on Conducting a Fraud investigation.
- Reporting fraud to the police and to the Charity Commission.
- Implementing robust controls and informing staff about the procedures and measures in place.
- Ensuring records of all income and expenditure are kept and receipts, invoices and supporting documents are adequate.
- Checking that financial controls are not overridden, by-passed or ignored.
- Reconciling bank accounts monthly and conducts spot checks.
- Using tiered delegated authority and signature levels for all payments.
- Restricting and closely monitoring access to sensitive information.
- Implementing an Internal Audit function reviewing processes and procedures on a risk basis.
- Establishing clearly defined roles for staff that include segregation of duties.

### Penalties

Any offence under the Fraud Act is punishable by a fine or imprisonment for up to ten (10) years, or both. Any person convicted of an offence involving dishonesty or deception will also automatically be disqualified from holding the position of a charity trustee.

As such, Malaria Consortium has a zero tolerance to fraud and corruption. It is a major violation of Malaria Consortium's policies for staff to knowingly conceal, falsify or misrepresent a material fact relating to any transaction. Malaria Consortium will apply robust sanctions to combat fraud and corruption including disciplinary action and reporting suspected criminal activity to the police. Proven violations will lead to disciplinary action up to dismissal from employment and legal action.

## 6 Monitoring and Review

The Board of Trustees has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The Finance Director has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering bribery and corruption.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

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