



**NATIONAL AGENCY FOR THE CONTROL OF AIDS  
(NACA)**

# **NACA**

**ANTI-FRAUD / WHISTLE BLOWING POLICY MANUAL**

**MARCH, 2019**

## **DISCLAIMER**

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## FOREWORD

Under the Nigerian Fraud Act 2006 the criminal offence of fraud can be committed in various ways: by false representation of information or materials, by failing to disclose information, and by abuse of position. The present 2020 Federal Government of Nigeria under the able leadership of His Excellency President Muhammadu Buhari has, as one of its cardinal tasks, fighting of corruption.

NACA has a **zero-tolerance approach to fraud and corruption** whether perpetrated by internal (staff, management and Board members) or external parties (vendors/ suppliers and other partners). The primary focus of the anti-fraud programs is to prevent the occurrence of such incidents and, where not possible, ensures appropriate mechanisms to detect and investigate such occurrences.

Therefore, to make this war against corruption in NACA a huge success, NACA with support from the Global Fund has developed this manual which sets out explicit steps to take in response to reported or suspected fraud cases and measures to be taken to prevent or minimize to the barest minimum, the risk of fraud.

Since my assumption as the Director General of NACA, I continuously admonish the staff to shun all fraudulent practices, and ensure transparency in all dealings within and outside of NACA. This manual further guides against practices that will put the organization's reputation at risk in the eyes of the Government, Donor Partners and indeed all the stakeholders in the HIV/AIDS response. Every staff of NACA, stakeholders and the general public are hereby advised to make good use of this manual and contribute towards winning the war on fraud and corruption.

Dr. Gambo G. Aliyu

*Director General*

*National Agency for the Control of Aids (NACA)*

## ACKNOWLEDGEMENTS

The idea for developing this Anti-Fraud/ Whistle Blowing Manual was first conceived in tandem with NACA's key stakeholders in the national response, particularly the Global Fund. Various visits by external Assurance Providers from within and outside Nigeria have always suggested the need for an organizational document to guide against fraud and corruption. Thus, following multiple discussions at different levels in 2018, the Internal Audit Unit of NACA took up the challenge.

I would like to acknowledge and appreciate the tremendous support and guidance from the NACA Management team ably led by the Director General Dr. Gambo Aliyu, and especially the erstwhile Director of Special Duties (DSD), Dr. Ibrahim Atta. Additional thanks to the governing board of NACA under the leadership of the chair, Her Excellency Dame Pauline Tallen, OFR, KSG, for their achievements and graciously approving the final document.

I also acknowledge the technical support from Robert Njagi of the Grant Fiduciary Agents (GFA) who worked in collaboration with me to produce the first draft and approve the final document, and Mr Edgar Beya, also of the GFA, who equally made some tremendous inputs to this document. I appreciate their contributions.

I also wish to appreciate the support and cooperation of the staff of the Internal Audit Unit as well as my distinguished colleagues and consultants from other departments in NACA, and particularly the office of the Director General, who played very key roles in the development of this document. It is my firm belief that this document will go a long way in helping the Internal Audit Unit ..... achieving its mandate of ensuring compliance with policies and preventing all forms of fraud and manipulations, and subsequently, NACA will be the better for it.

Mr. Edikan-Abasi Moses (ACA)  
*For: Head, Internal Audit Unit*

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# ***CHAPTER 1***

## **INTRODUCTION**

### **About NACA**

The National Agency for the Control of AIDS (NACA) coordinates the National HIV/AIDS response in Nigeria in order to ultimately attain universal access to HIV prevention, treatment, care and support services for all Nigerians. Its mandates are provided in the NACA Establishment Act of 2007. Key functions include: Providing guidance to all implementing entities, including coordinating and reporting on the realization of national objectives of the national response, supporting efforts to mobilize resources and ensuring that they are used in the most efficient manner.

NACA is committed to the highest possible standards of openness, transparency and accountability in all its affairs both within and outside. It seeks to be an organization that is accountable, transparent and ethical in its management and governance, and that retains the confidence and trust of its staff members, donor partners and all the stakeholders in government and the private sector.

It is our policy at NACA to have zero tolerance on fraud. The future performance, financial health and reputation of NACA are dependent, in part, on how well we identify and manage the threats and impacts of fraud across all our operations.

### **Aim of the Policy**

The aim of this Policy is to safeguard the reputation and financial soundness of NACA through improved management of fraud risk and to facilitate the development of controls that will aid in the detection and prevention of fraud. It sets out explicit steps to be taken in responding to reported or suspected fraud, as well as measures that will be taken to prevent or minimize the risk of fraud. The Policy has been developed based on good practice examples of fraud risk control strategies and of fraud response plans found in the public and private sectors, and on the specific needs and requirements of NACA as a national body charged with the fight against HIV/AIDS in Nigeria.

It is the intention of NACA's management to promote consistent organizational behaviour by providing guidelines and assigning responsibility for the development of internal controls and conduct of audit reviews and investigations. This Policy should be read in conjunction with the

Human Resource Policies and other Regulations of the government of Nigeria and will be reviewed periodically to ensure it remains useful, relevant and effective at all times.

### **Scope of the Policy**

This policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of NACA, and/or any other parties with a business relationship with NACA. Any investigative activity will be conducted without regard for the suspected person's length of service, position/title, or relationship to NACA.

The policy provides a framework for responding to cases and advice on various aspects and implications of an investigation. It is not intended to provide a comprehensive approach to preventing and detecting fraud. Its overall aims are to:

- improve the knowledge and understanding of everyone in the organization, irrespective of his/her position, to the potential risks of fraud;
- set out responsibilities regarding the prevention, detection and response of wrongdoing; and
- assist in promoting a climate of openness and a culture and environment where staff feel able to raise concerns sensibly and responsibly.

### **Governance**

The **Audit Committee** of the NACA Governing Board (hereinafter referred to as the Board) is an independent committee responsible for oversight of NACA's governance, internal control structures and risk management, including the risk of fraud. This oversight responsibility encompasses the approval of relevant policies, ensuring the establishment of an effective risk management strategy, including an anti-fraud strategy, and ensuring the adoption of recommendations for improvement given by assurance providers including Internal Audit, External Auditors, the Grant Fiduciary Agents (GFA) and the Local Fund Agents (LFA), the two latter both for the Global Fund.



The composition of the Audit Committee should include at least one member with the knowledge, skills and experience in governance, risk management, audit, or investigations, or where not available, can be outsourced.

The **Director General** is accountable to the Board through the Audit Committee for ensuring the effective implementation of approved policies. The Director General and the Senior Management Team, set the tone at the top by promoting accountability, integrity and maintaining a robust control environment.

This includes responsibility for the prevention and detection of fraud and other illegal acts. Recommendations from assurance providers should be acted upon in a timely manner to mitigate identified risks.

Any action taken by NACA relating to suspected fraud, bribery or corruption must be reported to the Audit Committee.

### **Fraud Risk Assessment**

**The Compliance & Risk Management Unit** in conjunction with **the Internal Audit Unit** are responsible for the establishment of a fraud risk assessment methodology and documentation of the key risks in a fraud risk register. The fraud risk register will form the basis for monitoring and reporting of fraud risk exposure to Senior Management and the Board.

Mapping of the high-risk areas will also enable internal audit to more effectively focus its efforts and carry out more targeted sampling (audit for fraud). Where necessary, internal audit will carry out 100% verification in areas considered as high risk.

Capacity (knowledge, skills, experience and number of staff), especially in the Internal Audit Unit, will be continuously assessed in the light of emerging risks. This will ensure that NACA is appropriately equipped to mitigate the risk of fraud.

## **NACA Anti-Fraud Mechanisms**

NACA has **zero-tolerance approach to fraud and corruption** whether perpetrated by internal (staff, management and Board members) or external parties (vendors/ suppliers and other partners). The primary focus of the anti-fraud programs is to prevent the occurrence of such incidents and, where not possible, ensures appropriate mechanisms to detect and investigate such occurrences. The mechanisms put in place to address the risk of fraud are wide ranging and include:

- A robust recruitment policy for both staff and consultants that includes the appropriate background checks;
- A code of ethics and conduct that are communicated to all staff at the point of entry and continuously throughout their tenure of service with the organization;
- Inclusion of appropriate clauses in all supplier and partner contracts highlighting NACA's zero tolerance for fraud and corruption and providing guidance on reporting channels for any noted abuse;
- Due diligence carried out on all vendors prior to formal engagement;
- Automation of the control systems and appropriate segregation of duties;
- Establishment of a fully independent audit committee to hold the organization accountable for fulfilling its set objectives in line with established guidelines and appropriate ethical practices;
- Documented procedures for reporting and investigating suspected fraud or malpractices; and
- Protection of whistleblowers through the establishment of confidential reporting mechanisms and a no-retaliation policy.

## **CHAPTER 2**

### **BACKGROUND INFORMATION & DEFINITION OF TERMS**

#### **What is Procurement?**

For the purposes of this policy and procedures manual, procurement is defined as the purchase of all materials, supplies and durable goods as well as the contracting of administrative and technical services.

NACA is committed to ensuring that all its businesses are conducted in an open, honest and fair manner. All NACA Audit Committee members, staff and third parties working on behalf of NACA are expected to adopt the highest standards of propriety and accountability, and to play a key role in promoting an anti-fraud culture.

Where fraud is suspected, NACA will take direct action(s). All cases will be thoroughly investigated and dealt with appropriately. The form of action taken will depend on the level and circumstances of the fraud discovered and may include disciplinary procedures, dismissal and/or criminal prosecution. The Agency will always seek to recover funds lost through fraud.

#### **Definition of Fraud**

- Under the Nigerian Fraud Act 2006 the criminal offence of fraud can be committed in various ways: by false representation of information, by failing to disclose information, and by abuse of position.
- The Act also includes offences for obtaining services dishonestly and of possessing, making and supplying articles for use in fraud.
- Bribery is defined as the offering, promising, giving, accepting or soliciting money, gift or other advantages as an inducement to do something that is illegal or a breach of trust in the course of carrying out an organization's activities.
- Fraud, as defined in Black's Law Dictionary is," *...all diverse means which human ingenuity can devise, and which are resorted to by one individual to get an advantage over*

*another by false suggestions or suppression of the truth. It includes all surprise, trick, cunning or dissembling, and any unfair way by which another is cheated.”*

- International Standards on Auditing A 240 defines fraud as “... an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.” The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional
- International Standards for the Professional Practice of Internal Auditing defines fraud as “... Any illegal act characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organizations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage...”
- It is a misrepresentation of the truth or concealment of a material fact knowingly to induce another to act to his or her detriment. Fraud therefore, includes any intentional or deliberate act to deprive another of property or money by guile, deception or other unfair means.
- NACA Defines fraud as: ‘*Intentional false representation of information, deception and cover-up to prevent detection; illicit gain achieved or innocent victim harmed.*’
- Other related terms include: error, irregularities, wrongdoing, corruption, bribery, financial misconduct, allegations, economic crimes, deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, and collusion.

Bribery in broad terms has four categories of offence:

- (i) bribing another person;
- (ii) receiving a bribe;
- (iii) bribing a foreign public official; and
- (iv) The failure of a relevant organization to prevent bribery by an associated person.

In essence, the Nigerian Fraud Act 2006 makes it a criminal offence to give a bribe to or accept a bribe from a public or private individual, at home or abroad where the party guilty of an offence is covered by the jurisdiction of the Act.

## **Other irregularities and actions involving Fraud**

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act;
- Misappropriation of funds, petty cash, supplies, fuel, airtime or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering as a result of colluding with vendors;
- Disclosing confidential and proprietary information to outside parties;
- Accepting or seeking anything of material value from contractors;
- Vendors or persons providing services/materials to the Company;
- Destruction, removal, or inappropriate use of records, furniture; fixtures, and equipment;  
and/or
- Any similar or related irregularities

### **In summary:**

NACA staff shall not solicit, offer, give, receive, promise, or represent to offer fees, gratuities, rebates, gifts, commissions, other payments or benefits, except as disclosed in full to the appropriate authorities, specifically the Director General, the Audit Committee and the Donor Partners, where necessary.

## ***CHAPTER 3***

### **FRAUD PREVENTION**

- (i) NACA operates within a framework of regulations, codes of conduct and procedures, including the Public Service Rules, Human Resources and Financial Regulations. These are designed, in part, to prevent fraud and corruption and to enhance accountability. We require all NACA staff members and third parties working on our behalf to act in accordance with this framework.
- (ii) NACA has procedures that incorporate internal controls designed to minimize the risk of fraud occurring. The Coordinating Director Finance and Administrations is required to identify the risks to which NACA is exposed (including the risk of fraud), to develop and maintain controls to mitigate and manage the risks and to ensure that such controls are properly complied with.
- (iii) A key preventative measure to minimize the risk of fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff in terms of their propriety and integrity. In this regard, temporary staff should be treated in the same manner as permanent staff.
- (iv) Staff recruitment should be in accordance with procedures laid down in the relevant HR policies, and written references obtained before formal employment offers are made.
- (v) NACA Board and audit committee members and staff are to disclose details of any organizations in which they hold a position of authority or other material interest and whose business could raise a potential conflict of interest. In the same vein, members should disclose any transactions between NACA and parties related to them.

NACA has adopted the following procedures to minimize the risk of bribery and corruption:

- The gifts and hospitality to NACA staff to be reported to the Director General who will maintain a register of any gift received by staff of NACA.
- Any gift received by Director General to be reported to the Audit Committee through its Chairman.
- NACA requires all individuals engaging suppliers of services and working with partners on behalf of the Agency to ensure that service suppliers and Partners are selected through

a transparent and competitive selection process and due diligence is carried out on partners and suppliers before entering in to contracts. Further information is set out in the NACA's procurement policy.

*All staff and suppliers must understand and comply with this policy. To ensure that this is communicated, NACA publishes this policy on the NACA website. All entities managing NACA funds are legally bound to prevent irregularities and fraud affecting the NACA budget.*

*In practical terms, other implementing partners of NACA have an obligation to put in place management and internal control procedures designed to prevent and detect irregularities, errors and fraud.*

*The controls aimed at preventing and detecting fraud are part of those intended to ensure the legality and regularity of transactions.*

*This Anti-Fraud Strategy should not, therefore, result in an additional layer of controls. It is necessary nonetheless to ensure that the internal control systems put in place adequately cover the risk of fraud.*

## **CHAPTER 4**

### **FRAUD REPORTING**

- NACA encourages and expects staff members and third parties working on our behalf to report incidents of suspected fraud, bribery and corruption in line with the information given in this document.
- The whistle-blowing mechanisms are designed to facilitate the reporting of concerns in confidence by NACA staff members, third parties and the public. This is achieved by having dedicated email accounts and telephone line as given below:

E-mails: [ispeakoutnow@naca.gov.ng](mailto:ispeakoutnow@naca.gov.ng); and [naca.ispeakoutnow@gmail.com](mailto:naca.ispeakoutnow@gmail.com)

Telephone – +2348093666222

- The email is accessible only by the Director General and the Head of Audit, who will also have custody of the telephone line for effective communications.
- *This framework for reporting suspected fraud and corruption and for protecting all informants who act in good faith is important for the detection of fraud. All other parties (informants) should also have easy access to the investigation authorities, NACA considers how whistleblowers can receive better guidance and protection from the authorities concerned, and how further to encourage informants to communicate irregularities, fraud and corruption (for example measures to motivate informants and to encourage voluntary disclosure).*

#### **Investigating Allegations of Fraud**

- (i) The Audit Committee will be responsible for conducting investigations in conjunction with the Director General who will initiate for an investigation to be undertaken by the Internal Audit Unit. Investigations will be carried out in line with the uniform guidelines for investigations as endorsed by the 10th Conference of International Investigators (June 2009)<sup>1</sup>.

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<sup>1</sup>[http://www.conf-int-investigators.org/?page\\_id=415](http://www.conf-int-investigators.org/?page_id=415)



- (ii) Matters of a criminal nature will be reported to the Nigerian Police Force for possible prosecution. Donors/partners and other relevant stakeholders will also be notified, as appropriate.

**Fraud Prevention, detection and investigation strategies to be enforced are:**

- (i) Following a detailed plan of action.
- (ii) Ensuring appropriate segmentation of fraud prevention, detection and investigation activities.
- (iii) Partnership with donors and implementing partners, where required.
- (iv) Exhibiting professional etiquette and observing human rights.
- (v) Obtaining precise written information and adequate supportive evidence.
- (vi) Discussion of reports with the appropriate authorities and controlled distribution of investigation information.

**Investigation procedures**

- (i) Depending on the magnitude and the complexity of the fraud, investigations will be carried out either in-house by the Head of Audit Unit or by external parties such as independent accountants with specialized forensic accounting expertise and access to criminal law expertise, or where deemed appropriate. The decision whether to use internal investigation services, or a combination of both, will be made by the Director General on the advice of the Head of Legal Unit and the Audit Committee.
- (ii) Investigations will be conducted without regard to any person's relationship to the organization, position or length of service. The Head of Audit / Director General will retain and secure records of all in the investigation process, in the event of any future criminal litigation, civil or disciplinary action/s.
- (iii) The Head of Audit / Director General will determine who should be involved in the investigation and take care to avoid a conflict of interest situation for staff members and managers with close working relationships with the individuals in question.
- (iv) The Head of Audit will issue a report detailing the findings and conclusions of every completed investigation, including recommendations for future actions.

## **Investigation Report**

- (i) The conclusion of all fraud investigations must be documented. The Investigation Report will contain all details relating to the investigation. The Report will also include the transcripts of any interviews undertaken and any expert advice received as an appendix. The report may also contain the recommendations of the investigation team on the course of action to be taken.
- (ii) The Director General shall forward the written report/conclusions to the persons requiring notification and agree the appropriate action/s to be taken.
- (iii) The person/s that initially reported the suspicions shall be informed of the outcome of the investigation but this should be done only once the report and proposed course of action/s have been concluded.

## **Fraud Awareness and Training**

- (i) NACA recognizes that the success of this anti-fraud policy depends, to a large extent, on all NACA Audit Committee members and NACA staff having proper awareness on fraud, bribery and corruption.
- (ii) Information discouraging fraud, bribery and corruption will be displayed on Notice Boards and Posters at key offices and strategic positions within the NACA building and premises.
- (iii) Mandatory training will also be provided at least once every six months to staff members, especially the Internal Audit staff.
- (iv) The new employees must be trained on fraud as part of induction not later than three months of assumption of duties.
- (v) *All staff working in NACA's project management and financial operations have a responsibility in fraud prevention and detection and should be sufficiently trained, including in anti-fraud matters*

## **CHAPTER 5**

### **PROTECTION FROM RETALIATION**

- (i) Any employee / contractor/ vendor or member of the Public who engages in Protected Activity will be shielded from retaliation.
- (ii) Protected Activity in the work place, is by legal definition, activities that workers may engage in without fear of retaliation by superiors or employers.
- (iii) Retaliation occurs when an employer takes an Adverse Action against an employee because she/he engaged in a Protected Activity
- (iv) The policy prohibits retaliation even if the concerns raised are not confirmed following an investigation. However, an employee may be subject to Adverse Action if the employee knowingly made a false allegation, provided false or misleading information in the course of an investigation, or otherwise acted in bad faith. These anti-retaliation guidelines do not exempt employees from the consequences of their own misconduct or inadequate performance, and self-reporting such issues is not Protected Activity.

#### Obligation to raise concerns

- (vi) NACA has dedicated Helplines, drop boxes and emails that are managed internally by the Director General and the Head of Internal Audit Unit for effectiveness.  
E-mails: [ispeakoutnow@naca.gov.ng](mailto:ispeakoutnow@naca.gov.ng); and [naca.ispeakoutnow@gmail.com](mailto:naca.ispeakoutnow@gmail.com)  
Telephone – +2348093666222
- (vii) The whistle blowing poster is displayed in strategic locations within the building including offices, reception, noticeboards, hallways and conference halls/rooms.
- (viii) Employees may also escalate externally to the dedicated whistle blowing channels to the Donor Partners.
- (ix) All employees are required to report any suspicion of improper or wrongful activity. Reports of suspected improper or wrongful activity will be treated confidentially, and employees have the choice to report concerns anonymously. If submitting a concern anonymously, it is important to provide sufficiently detailed information regarding the subject matter of concern and to identify potential witnesses to enable NACA to effectively address the concern.

- (x) Employees who believe they have either witnessed retaliation or been personally retaliated against or that any other violation of this policy has occurred, or who have questions concerning this policy, must immediately notify the Audit Committee, Head of Internal Audit or the NACA Help Line. Employees may also, where appropriate, contact appropriate governmental authorities. NACA takes all claims of retaliation very seriously and reports will be reviewed promptly and investigated where appropriate.

### **Types of whistle blowing reports**

- (i) Any good faith report, concern, or complaint is fully protected by this policy, even if the report, question, or concern is, after investigation, not substantiated. Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a wrongdoing.
- (ii) Any allegation that proves not to be substantiated and has been made maliciously or with knowledge that it was false will be treated as a serious disciplinary offence.
- (iii) The prohibition against retaliation applies to:
- (a) The disclosure of information concerning conduct that the reporter believes is a wrongdoing or violation of policies;
  - (b) The provision of information or testimony to or the filing of a complaint initiating proceedings before a duly constituted audit committee, disciplinary committee or investigatory body in line with the organization's systems;
  - (c) Disclosures made during compliance review or a peer review process;
  - (d) The filing of a legitimate complaint or incident report

### **Types of retaliation prohibited**

Examples of adverse actions include, but are not limited to:

- (i) Threats
- (ii) Demotion
- (iii) Denying overtime or promotion

- (iv) Disciplining
- (v) Denying benefits
- (vi) Failing to hire or rehire
- (vii) Intimidation
- (viii) Delaying work related activities
- (vii) Blacklisting of vendors without valid reason.
- (viii) Reassignment to a less desirable position or actions affecting prospects for promotion (such as excluding an employee from training meetings)

### **Sanctions for violation**

- Any NACA employee /manager who retaliates against another employee engaged in a Protected Activity or who otherwise violates this policy is subject to disciplinary action in line with the Civil Service Rules and other relevant laws in Nigeria.
- The safety of whistle blowers is a very important consideration for investigators and one that must not be taken lightly. NACA has an obligation to protect staff members who have come forward to report wrong doing and they are protected under the relevant laws as enacted by the National Assembly.

## ***CHAPTER 6***

### **FRAUD RESPONSE PLAN**

#### **Purpose**

In line with the NACA commitment to its opposition to fraud, bribery and corruption this Fraud Response Plan is intended to provide direction and help to the Audit Committee, NACA staff members, third parties and members of the public who wish to raise their concerns about suspected fraud.

The Plan gives a framework to follow in responding to allegations of fraud, bribery or corruption and provides information that allows evidence to be gathered and collated in a way which facilitates informed initial decisions, while ensuring that evidence gathered will be admissible in any future criminal or civil actions

#### **What should be reported?**

There are multiple fraud schemes that can be encountered in the cause of doing business. The list<sup>2</sup> below is not exhaustive and provides general guidance on the nature of issues that should be reported.

- Stealing money or commodities;
- Personal use of money or other assets;
- Fake invoicing;
- Staging of fake training events;
- Counterfeiting drugs;
- Irregularities in tender processes (for example fraudulent bids, bid collusion, bid manipulation, coercive practice);
- Bribery and kickbacks;
- Abuse of power or authority for personal gain;
- Conflict of interest; and
- Human rights violations.

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<sup>2</sup>Source: The Office of the Inspector General of the Global Fund.

In general, staff and other stakeholders are encouraged to seek guidance whenever required. This could be obtained from Internal Audit, the Director General's office, or using external resources such as the Office of the Inspector General of the Global Fund (see Chapter 8 for details).

### **What staff should do if they suspect fraud?**

Staff are encouraged and, indeed, expected to raise any concern that they may have, without fear of recrimination or retaliation (whistle-blowing). To facilitate this, NACA has a dedicated email and or Telephone line for escalation of suspected fraud as stated above. In addition, the Agency has erected suggestion/information boxes at convenient points to promote anonymous fraud reporting, and only the Director General has access to them. There is also the national whistle blowing policy which encourages fraud reporting and anonymity by rewarding whistle blowers.

Any concerns raised will be treated in the strictest confidence and will be properly investigated.

The staff are often the first to spot possible cases of fraud or corruption at an early stage. Staff should not try to carry out an investigation themselves. This may damage any evidence required for subsequent investigation or enquiry.

In the first instance, staff should normally raise the concerns with their line officer. If the concern relates to a line officer, then staff should raise it with the Director General, and if it relates to the Director General, the concern should be raised with the Chairman of the Audit Committee.

In the event that the issue relates to the Audit Committee members, the concern should be raised with the Chairman of the Audit Committee, and if it relates to the Chairman, it should then be reported to the Chairman of the NACA Board (where constituted) or the Office of the Secretary to the Government of the Federation (in the absence of a constituted Board).

### **What a third party, including members of the public, should do if they suspect fraud**

- (i) Third parties, including the public, can report concerns through the NACA complaints procedure or the NACA email lines/ Hotline as given below:

E-mails: [ispeakoutnow@naca.gov.ng](mailto:ispeakoutnow@naca.gov.ng); and [naca.ispeakoutnow@gmail.com](mailto:naca.ispeakoutnow@gmail.com)

Telephone – +2348093666222

- (ii) They can also report concerns direct to the NACA Audit committee members or a staff, who will escalate the concern in line with the anti–fraud Policy.
- (iii) In the event that a person feels unable to raise their concerns direct with NACA, they may contact the NACA’s external auditors, Fiduciary Agents or Donors.
- (iv) Speaking out against acts of fraud is not easy. NACA will take every precaution to protect an individual’s identity when raising a concern if he or she does not want their names to be disclosed.
- (v) Whilst every possible effort will be taken to protect an individual’s identity it must be appreciated, however, that the investigation process may reveal the source of the information and a statement by the individual may be required as part of the evidence.
- (vi) NACA encourages individuals to put their names to allegations. Concerns expressed anonymously are much less powerful, but they will be considered at the discretion of the Agency, taking into account the seriousness of the issues raised; the credibility of the concern; and the likelihood of confirming the allegation from other attributable sources.
- (vii) If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the person raising the concern. If, however, the allegations are malicious or false, action may be taken against the person making the allegation.
- (viii) During an investigation, staff should not voice their concerns to the press or media without the consent of the Director General. To do so could jeopardize the investigation process, and could result in compensation claims should the suspicion/allegation prove to be unfounded and generate disproportionately negative publicity for NACA.
- (ix) Where appropriate, NACA will ensure that the person raising the concern is kept informed of the investigation and its outcome.

**What a Director/Supervisor should do when a suspicion is reported to them**

- (i) Any director/ supervisor who has received information about a suspected fraud or a suspicion of corruption must report it immediately to the Director General.
- (ii) The Director General should ensure that there are reasonable grounds for the suspicion, and arrange for an investigation to be undertaken. The investigation should be assigned to a person with appropriate experience or qualifications, and in this case, should be the Head



of the Audit Unit. At this point, the Audit Committee should be notified of the investigation.

- (iii) Any decision to refer the matter to the Police will be made in consultation with the Director General.
- (iv) Management should take immediate action to prevent further loss, and should take steps to safeguard any evidence.
- (v) The investigating officer should retain securely any relevant documentation, in its original format -it should not be written on or altered in any way.
- (vi) Preserving documents in plastic wallets is recommended unless it is in the form of electronic evidence that can be affected by moisture. Other items or equipment relevant to the investigation must be safeguarded without any alteration to their original condition, for example, personal computers and any records thereon.
- (vii) The final outcome of an investigation could result in a court appearance. It is therefore important that the investigation can withstand the rigors of cross -examination. Evidence is crucial, and the investigating officer should preserve evidence in a legally admissible form.
- (viii) A detailed record of the investigation should be maintained. This should include a chronological file recording details of telephone conversations, discussions, meetings and interviews, details of documents reviewed, and details of any tests and analyses undertaken.
- (ix) All interviews should be conducted in a fair and proper manner. Where there is the possibility of criminal prosecution, advice should be sought from the Legal Unit and where necessary, the police to ensure that all the necessary requirements are met.
- (x) The investigating officer should seek advice from the Director General before undertaking any interviews, especially where it involves non NACA staff.
- (xi) The Director General will provide advice on the action needed to secure any cash and evidence, and will advise on disciplinary procedures, particularly where it may be necessary to suspend staff.
- (xii) No information should be divulged to anyone other than the small group who are directly involved in managing the investigation.

- (xiii) Within ten (10) working days of a concern being raised, the Director General or investigating officer will contact the person who raised the concern, to indicate how the matter will be dealt with.
- (xiv) NACA recognizes that those people who report suspected fraud or corruption need to be assured that the matter has been properly addressed.
- (xv) Therefore, subject to legal constraints, they will receive information about the outcome of any investigation, including action/s taken to improve controls and mitigate the threat of future fraud.
- (xvi) The Director General will distribute details of lessons learned from the fraud investigation, where there may be implications for the organization.

## **CHAPTER 7**

### **ROLES AND RESPONSIBILITIES**

#### **Audit Committee / Director General**

- (i) The Audit Committee has responsibility for effective and responsible corporate fraud governance. The role of the Audit Committee is to oversee and monitor management's actions to manage fraud risks. Specifically, they will evaluate NACA management's identification of fraud risks, implementation of anti-fraud measures, and creation of the tone at the top.
- (ii) The Audit Committee is responsible for overseeing controls to prevent or detect fraud. In this role, the Committee is responsible for overseeing management's compliance with appropriate policies and for preventing management override of controls or other inappropriate influence over the fraud risk management process.
- (iii) The Director General is ultimately responsible for fraud risk management and is mandated to establish and maintain a system of internal control to deter and manage fraud risks in NACA operations, at a reasonable cost. They are also responsible for setting an appropriate "tone at the top" and ensuring that their actions communicate to employees expected behavior and organizational culture and disposition towards fraud management

#### **Managers**

- (i) It is the responsibility of each member of the management team to be familiar with the types of fraud that might occur in their area, to be alert to any indication of fraud or improper activity and to maintain controls to avoid such occurrences.
- (ii) Managers are required to ensure that all staff under their control are given a copy of this policy in a language they can understand and to acknowledge its receipt.
- (iii) Managers should also ensure that staff be encouraged to report suspected issues of fraud.
- (iv) Ensure that an adequate system of internal control exists within their areas of responsibility and that the controls operate effectively.
- (v) Managers should keep record of any allegations as well as any subsequent actions taken.
- (vi) Encourage staff to report reasonable suspicion of fraud, treating all allegations seriously, and promptly reporting allegations to the relevant authority.

- (vii) Assess the risks, including but not limited to fraud risks, involved in their area of responsibility.
- (viii) Ensure that an adequate system of internal control exists and functions to address these risks.

**All Staff**

All employees have a responsibility to:

- (i) To carry out their work in such a way as to prevent fraud occurring in the workplace. Employees must also be alert for occurrences of fraud, unusual transactions or behaviors, and report potential cases of fraud.
- (ii) Ensure that they are familiar with, and comply with NACA's Code of Conduct;
- (iii) Ensure they are familiar with, and comply with controls and procedures in their areas of responsibility; and
- (iv) Report any suspected fraudulent acts in accordance with NACA's Whistleblower Policy.
- (v) Where you believe the opportunity for fraud exists, whether because of poor procedures or oversight, you should discuss it with your line manager
- (vi) Attend in house training courses on Fraud prevention
- (vii) Sign and accept the anti-Fraud policy as an integral part of their employment contract with NACA. Remain alert to the possibility of fraud and report suspicious behavior to their line manager.

**CHAPTER 8**  
**RULES, PROCEDURES, AND GUIDELINES FOR FRAUD REPORTING**  
**FOR DONOR FUNDS (GLOBAL FUNDS)**

**NACA Internal Reporting Channels**

E-mails: [ispeakoutnow@naca.gov.ng](mailto:ispeakoutnow@naca.gov.ng); and [naca.ispeakoutnow@gmail.com](mailto:naca.ispeakoutnow@gmail.com)

Telephone – +2348093666222

**External Reporting Channels**

Find here the main references and documents that are published and opened to the public on the Global Fund website:

**Code of Conduct for Recipients of Global Fund Resources**

[https://www.theglobalfund.org/media/6011/corporate\\_codeofconductforrecipients\\_policy\\_en.pdf?u=636450358540000000](https://www.theglobalfund.org/media/6011/corporate_codeofconductforrecipients_policy_en.pdf?u=636450358540000000)

[www.theglobalfund.org/media/6016/core\\_ethicsandconflictofinterest\\_policy\\_en.pdf](http://www.theglobalfund.org/media/6016/core_ethicsandconflictofinterest_policy_en.pdf)

The purpose of this Code of Conduct (the “Code”) is to establish the principles and standards of conduct required of all recipients of Global Fund grant funds, including, without limitation, Principal Recipients, Sub-recipients, Sub-sub-recipients, Country Coordinating Mechanisms, and procurement agents (altogether the “Recipients” and each a “Recipient”).

Recipients shall ensure that this Code is communicated to and adhered by all entities which receive Global Fund Resources, including their Recipient Representatives. As such, Principal Recipients shall include this Code in any contract or agreement with other Recipients and receive from such Recipients an acknowledgement and agreement of their obligation and responsibilities to comply with this Code. Recipients shall integrate the principles of this Code with any existing guidelines or codes of conduct so that each Recipient and its Recipient Representatives are bound by the principles and requirements expressed herein. Furthermore, Principal Recipients shall ensure that

all other Recipients adhere to the terms and conditions of the relevant Global Fund Grant Agreement under which Global Fund Resources are disbursed or financed.

## **Code of conduct for Suppliers**

[https://www.theglobalfund.org/media/3275/corporate\\_codeofconductforsuppliers\\_policy\\_en.pdf?u=636450358440000000](https://www.theglobalfund.org/media/3275/corporate_codeofconductforsuppliers_policy_en.pdf?u=636450358440000000)

The goal of this Code of Conduct ("Code") is to enlist suppliers' commitment to maintain integrity of the Global Fund-funded grant operations and corporate procurement activities in compliance with this core Global Fund principle

This Code requires all bidders, suppliers, agents, intermediaries, consultants and contractors ("Suppliers"), including all affiliates, officers, employees, subcontractors, agents and intermediaries of Suppliers (each a "Supplier Representative"), to observe the highest standard of ethics in Global Fund-funded activities regarding supply of goods and/or services to the Global Fund or any recipient of Global Fund financing, including principal recipients, sub recipients, other recipients, country coordinating mechanisms, procurement agents and first- line buyers.

Suppliers will ensure that this Code is communicated to all their Supplier Representatives and will take reasonable steps to ensure compliance by Supplier Representatives, including by taking immediate action in cases of non-compliance. Breaches of this Code may result in a decision by the Global Fund to sanction the Supplier and/or Supplier Representative involved, suspend disbursements to grant recipients or cancel funding.

## **Office of the Inspector General**

<https://www.theglobalfund.org/en/oig/>

The Office of the Inspector General safeguards the assets, investments, reputation and sustainability of the Global Fund by ensuring that it takes the right action to accelerate the end of AIDS, tuberculosis and malaria. The Office of the Inspector General reports on all its activities, under Audits and Investigations, in the interests of transparency and accountability. All the results of its work are published on the Global Fund website in line with the disclosure policy outlined by the Board.

The Global Fund believes that every dollar counts and has zero tolerance for fraud, corruption and waste that prevent resources from reaching those who need them.

Through its safe and secure whistle-blowing and reporting channels, the Office of the Inspector General encourages all to speak out against fraud, abuse and human rights violations. The Office of the Inspector General treats all reports carefully and protects the identity of all whistle-blowers.

### **How should you report?**

If the circumstances are such that reporting a suspicion as above is inappropriate, or if the person to whom it is reported is unable to assist, the issue may be reported to the NACA confidential helpline. This helpline is monitored by the Internal Auditor and is accessed as follows

E-mail: [ispeakoutnow@theglobalfund.org](mailto:ispeakoutnow@theglobalfund.org)

Free Telephone Reporting Service: +1 704 541 6918

Telephone Message - 24-hour voicemail: +41 22 341 5258

Fax - Dedicated fax line: +41 22 341 5257

Find out more about fraud and abuse on their e-learning platform at: [ispeakoutnow.org](http://ispeakoutnow.org)

## **APPENDIX**

**Appendix 1: Fraudulent and other irregular acts included under this policy may involve, but are not limited to any of the following:**

- 1) Embezzlement, misappropriation or other financial irregularities.
  
- 2) Forgery or alteration of any document or account (cheques, bank draft, payment instructions, time sheets, contractor agreements, purchase orders, electronic files) or any other financial document, Impropriety in the handling or reporting of money or financial transactions.

- 3) Theft or misappropriation of funds, securities, supplies, inventory, or any other assets such as furniture, fixtures or equipment.
- 4) Use of the Centre's assets (including office supplies, letterhead etc. for personal gain.
- 5) Seeking or accepting anything of material value for personal gain from contractors, vendors or persons providing service/goods to NACA. Guidelines for gifts are as per NACA Gift Policy.
- 6) Nonpayment by staff of any monies due to the organization (indebtedness) such as reimbursement of personal expenses, overpayment of DSA, salary advances, etc.
- 7) Contravention of any Regulations or Rules, policies and procedures with intent to gain personal advantage or to procure that a third party (such as a friend, family member or contractor) gains personal advantage.
- 8) Inappropriate use of delegated authority that results in fraud, misappropriation or obtaining benefit by deception or other unethical measure;
- 9) Misrepresentation, forgery, or false certification in connection with any official claim or benefit, including failure to disclose a fact material to that claim or benefit;
- 10) Intentional mishandling of contract obligations and relations with third parties leading to loss of property or assets, or generating liabilities for the Organization;