CHRISTIAN SOCIAL SERVICES COMMISSION (CSSC)

ANTI-FRAUD AND CORRUPTION POLICY

NOVEMBER, 2021

APPROVAL PAGE

This policy and procedures apply to Christian Social Services Commission Offices. It is the responsibility of all employees to follow the policies and procedures herein.

Approval by Executive Council Chairperson:

Approved.....(signature)

Date.....

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1.0 PREAMBLE

This Anti-Fraud and Anti-Corruption Policy and Procedures (hereinafter to be referred to as the "Policy and Procedures"), as approved by the Executive Council of the Christian Social Services Commission (hereinafter referred to as CSSC), reflects on the fundamentals and core concept that the Christian Social Services Commission ("CSSC" or the "organization") agrees to abide by regarding prevention and response to fraud and corruption.

The Executive Director of CSSC, in consultation with the Senior Management Team, has the responsibility for determining the need and content of the Policy and Procedures. All Heads of Departments have the responsibility for administering the Policy and Procedures in compliance with its content and in a consistent manner for the good of the Department and its employees. The Policy and Procedures are consistent with the CSSC Constitution and policies.

CSSC has zero tolerance for Fraud and Corruption. CSSC recognizes that fraud and corruption is a prevalent issue, and has harmful effects on employees, the organization and society, and is a threat to our vision.

Fraud and corruption awareness, prevention, reporting and response are critical parts of the accountability and compliance culture at CSSC and are of great importance to our impact groups, employees, partners, Development Partners, counterparts and other CSSC stakeholders. Our internal and external stakeholders have a right to expect that we conduct all our activities to the highest ethical standards.

This policy sets out the minimum standards and procedures that all CSSC is obliged to follow. It addresses the awareness, prevention, identification, reporting, investigation and close-out of fraud and corruption at CSSC. Where the Development Partner regulations are more restrictive, those regulations must be complied with and incorporated in our work.

This policy and related procedures applies to all CSSC personnel located at the Zone and headquarter offices, CSSC's agents, commission members, executive council, committees' members, beneficiaries, consultants, vendors, partners or counterparts. This policy places the ultimate responsibility for managing fraud and corruption at Headquarter, and is not intended to replace existing fraud and corruption reporting or management processes as long as they are consistent with this policy. Any conflict shall be superseded by this policy.

All cooperating partners, contractors and suppliers will be made aware of this Policy, its applicability to be established in the relevant contracting instruments.

It is the responsibility of all Board members and staffs to identify, analyse, evaluate, respond, monitor and communicate risks associated with any activity, function or process within their relevant scope of responsibility and authority.

This Policy and Procedures will be reviewed after every five (5) years. However, the Senior Management Team (SMT) may initiate amendments anytime if gaps identified have severe impact to the organization. The Senior Management Team (SMT) by make recommendations to the Executive Director for consideration. Any proposed amendments shall be forwarded to the Executive Council for review and approval. shall be informed in writing of any amendments to this Policy and Procedures in a timely manner.

2.0 ABBREVIATIONS AND ACRONYMS

CSSC	-	Christian Social Services Commission
FBO	-	Faith Based Organization
HQ	-	Head Quarters
HR	-	Human Resource
NGO	-	Non-Governmental Organization
SMT	-	Senior Management Team
PPP	-	Public Private Partnership
ZPF	-	Zonal Policy Forum

3.0 Introduction

3.1 Christian Social Services Commission

Christian Social Services Commission (CSSC) was established in 1992 as an ecumenical body for facilitating delivery of social services focusing on Education and Health.

3.2 Vision statement

A society in which all people have access to quality health and education.

3.3 Mission Statement

To strengthen the delivery of health and education services by Church institutions - through advocacy, capacity building, coordination and partnerships - inspired by the compassion and love of Christ.

3.4 Objectives

1. To contribute to the physical, mental, social, and spiritual development of Tanzanian people through facilitating the provision of quality social services to all people regardless of colour, race or creed, and;
2. To foster promotion, improvement and expansion of education, health and other social services all over Tanzania

3.5 Activities

With the above mentioned strategies, CSSC will perform the following activities:

- Advocate and lobby for policies to improve health and education services;
- Offer trainings for personnel of health and education institutions;
- Maintain networking among stakeholders in the education and health sector;
- Support public private partnerships (PPP) between the Government and private health and education services providers;
- Build, rehabilitate and equip church run health and education facilities; and
- Implement of various projects in health and education funded by International organization

3.6 Zones

To harness countrywide broad-based policy dialogue and input, in 2001 CSSC decentralized its set up by establishing policy dialogue forums in five zones as follows:

- Eastern Zone (Dar es Salaam, Coast, Tanga, Morogoro and Dodoma, Lindi, Mtwara and Zanzibar Islands)
- Lake Zone (Mwanza, Geita, Mara, Shinyanga, Simiyu and Kagera)
- Northern Zone (Kilimanjaro, Arusha and Manyara)
- Southern Zone (Iringa, Njombe, Mbeya, Ruvuma, Rukwa and Songwe)
- Western Zone (Singida, Katavi, Tabora and Kigoma)

The role of the Zonal office is to realize CSSC's decentralized structure and allow close support to CSSC's member institutions. It is implementing headquarters' efforts at Zonal level as follows:

- To coordinate between CSSC HQ and stakeholders (Diocesan Senior Leadership, Regional/Local Government and NGOs) on community social services (Education and Health);
- To advocate for the functionality of social institutions and cooperate with stakeholders on awareness regarding health and education service delivery to

communities;

- To lobby for inclusion of FBOs in the Government supported Comprehensive Council plans;
- To advocate for Public Private Partnerships (PPPs) in the various available fora;
- To conduct a forum for church leaders (Ecumenism) to share experience, e.g. on addressing the sector Policy Reform on social services;
- To promote CSSC as an instrument of deliberating church's social services as related to social political changes and contribute to its sustainability;
- To advocate for equitable and affordable quality health and education services;
- To monitor the implementation of issues raised from the zonal policy forum (ZPF), CSSC HQ or other relevant partners; and
- To organize capacity building sessions to health and education service providers.

4.0 Definitions of Fraud and corruption

Fraud and Corruption are defined as follows:

1. **Fraud:** Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain.
2. **Corruption:** Corruption is the abuse of entrusted power for private gain, including bribery.

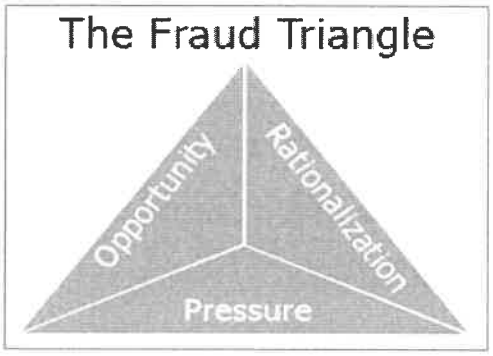
   Fraud and Corruption do not necessarily imply immediate financial benefits for the individual(s) committing fraud or corruption, but may cause financial or reputational damages to the CSSC.
3. **Conflict of Interest** - A conflict of interest can arise in a variety of situations wherever CSSC interests, such as relying on staff duties of loyalty and confidentiality, compete with the personal or other professional activities or engagements of CSSC staff.
4. **Perceived Conflict of Interest** – A perceived conflict of interest exists when there is a reasonable apprehension, which reasonably well-informed persons could have, that a conflict of interest exists.
5. **Family/Relatives** - For the purposes of this policy, family/relatives are defined as all persons related to an employee by blood, adoption or marriage (including in-laws and stepchildren), up to and including first cousins and domestic partners.
6. **Non-platonic relationship**: is the relationship that has a romantic or sexual component or has the two combined.

5.0 Policy Statement

CSSC does not tolerate fraud or corruption by staff or related third parties, including any of CSSC's agents, Commission embers, Executive Council, Committees' members, beneficiaries, consultants, vendors, partners or counterparts. CSSC staff are required to be watchful for fraud, corruption or any suspicious behavior, and report it to appropriate management. All reported incidents will be appropriately investigated, disclosed to relevant management, governance body and the development partners, remediated, and closed out.

6.0 Elements of Fraud and corruption

In cases of fraud and corruption there are generally three elements which individually can be addressed to prevent the act:



Opportunity: often a gap in controls, an opportunity that fraud or corruption can be perpetrated without the person committing the fraud and corruption being caught, exposed and/or action taken against them.

Opportunity can be addressed by implementation of controls such as securing money in safe, performing reconciliations, having clear disciplinary measures that are enforced and obtaining proper authorization.

Removing the opportunity has been proven to be the most effective way to reduce fraud and corruption.

Pressure: the reason why the person is committing the act of fraud and/or corruption.

These could vary widely and can include financial pressures, financial problems, gambling problems, maintaining a lifestyle, vengeance against the organization and emotional problems. Motive can be addressed through measures such as employee support progammes, open door policies, and treating and compensating employees fairly.

Rationalization: is the justification of the act of fraud or corruption.
Rationalization is not to be confused with the difference between right or wrong. In fact, the perpetrator often knows that it is wrong, but will think the act justified for one reason or another.

These can include thoughts that no one will really get hurt, that they are just getting what they are owned, that everyone does it, that is for a good cause, or that money is just being "borrowed".

Rationalization can be addressed through actions such as raising awareness of the Code of Conduct and the negative impacts of fraud and corruption on the organization and beneficiaries, Prevention of fraud and corruption training, regular performance appraisals, and simply treating employees fairly.

Through this policy the organization seeks to ensure that it addresses all three of these elements in its policies and procedures.

7.0 Policy Details

7.1 Fraud and corruption Intolerance and Reporting Obligations:

Any incidence of fraud or corruption or suspicious behavior must be reported to appropriate senior management or/and the whistleblower hotline as set forth.

7.2 Internal escalation process

CSSC has in place an internal escalation process to ensure appropriate management awareness and expeditious handling, resolution and Development Partners notification via contract holder (as applicable) as set forth in this policy.

In consideration of local context and Development Partner requirements, if any, CSSC requires to the maximum extent possible reporting fraudulent and corrupt behavior to authorities. Any exception must be justified in writing by the Executive Director.

7.3 Sufficiency of Investigations

Fraud and corruption and allegations of fraud and corruption will be appropriately investigated after considering severity, credibility, potential for reputational damage, and applicable Development Partner requirements. President of the Commission accountable for all fraud investigation related to the Executive Director, Commission members, Executive Council and Committees' Members. Executive Director accountable for all fraud investigation related to staff, beneficiaries, consultants, vendors, partners or counterparts. The President of the Commission and Executive Director are responsible for ensuring that Team competent and independent investigators is formed, investigators are given resources and access to the information required, receive and accept the final Fraud Investigation Report and take appropriate action based on the results of the investigation. Any relevant costs including investigations, audit, etc. shall be borne by CSSC.

7.4 Procedures

Procedure Overview. These procedures are designed to ensure appropriate management, reporting, investigation, remediation and close-out of allegations of fraud and corruption, and appropriate reporting, as specifically set forth below.

7.5 Prevention and Awareness

CSSC Management is responsible for periodically advising, training and monitoring its staff, Executive Council members, recipient, sub-grantees and partners of the content of this policy for monitoring its implementation in activities for which the CSSC is the responsible. Written agreements with external parties should to the maximum extent possible include a written reference to CSSC's intolerance of fraud and how it should be managed, a form is attached at Attachment C.

7.6 Report by Staff/Partners/Recipients to Management

Reports from staff, partners, recipients or any external parties must be provided immediately (within five business days unless sooner as required by any development partners)

7.7 Internal Reporting

Upon awareness of an alleged or suspected fraud and corruption, appropriate management or his/her designate will inform immediately (within five business days unless sooner as required by a relevant development partners Agreement) the appropriate senior management within the CSSC using a completed **Initial Investigation of Suspected Fraudulent and Act Report found at Attachment E.** The report will include a determination of the amount of the suspected fraud, and

whether the suspected fraud requires Development Partner reporting. Depending on the nature of the allegations, other units may be consulted, including Finance, HR, Security necessary and applicable

7.8 Appropriate Investigation, Report and Follow-Up

The Executive Director will specify steps to investigate alleged fraud and corruption promptly. Alleged fraud or corruption will be investigated and documented commensurate with severity, credibility, potential for reputational damage, and applicable development partner requirements. A matter will be considered closed by agreement of all concerned parties when conclusions of an investigation and related remediation activities are satisfactory CSSC and related development partner.

8.0 Responsibilities

8.1 All Staff, Partners, Recipients, Agents, Consultants and Vendors

- Act according to the acceptable legal and ethical standards and expectations
- Be watchful for fraud and corruption at CSSC or any related third parties including CSSC's agents, commission members, executive council & committees' members, beneficiaries, consultants, vendors, partners or counterparts.
- Report to appropriate senior management or supervisors or the whistleblower hotline
- Cooperate with any investigation into allegations of fraud or misconduct

8.2 President of the Commission

- Accountable for all fraud investigation related to the Executive Director, Commission members, Executive Council and Committees' Members.
- For the Fraud investigation related to the Executive Director, Commission members, Executive Council and Committees' Members, the president responsible for ensuring that Team competent and independent investigators is formed, investigators are given resources and access to the information required, receive and accept the final Fraud Investigation Report and take appropriate action based on the results of the investigation

8.3 CSSC Senior Management

- Maintain an adequate control environment, performs regular risk assessments, implements appropriate procedures and internal control activities, ensure sufficient information communication and monitoring of the whole control system is in place
- Maintain policies and procedures to detect fraud and corruption
- Require staff to report suspicions, allegations or known fraud and corruption
- Report all instances of fraud and corruption
- Appropriately investigate or establish an appropriate person or team to investigate allegations of fraud and corruption
- Depending on context, develop guidelines to ensure clarity of roles and responsibilities
- Coordinate with the funding CSSC, as applicable
- Ensure implementation of any required or recommended remediation activity
- Implement appropriate sanctions against staff who committed fraud and corruption
- Communicate appropriately on the sanctions taken in case of fraud and corruption
- Sensitize staff and partners about the fraud and corruption risk in the local environment regularly, act transparent and encourage open discussion on challenges
- Make the policy and whistleblower hotline available for all staff including partner staff.

8.4 Managers & supervisors

All managers and supervisors will ensure there are processes in place within their area of control to:

- Identify and assess potential risks of fraud and corruption;
- Reduce and prevent the risk of fraud and corruption;
- Promote Personnel's awareness of adherence to this Policy;
- Ensure the dissemination of this Policy to contractors or suppliers and ensure its incorporation as necessary into any contractual instruments with such parties. Managers who fail to take appropriate action or who directly or indirectly tolerate or condone proper activity may themselves be held accountable.

8.5 Human Resources Department

The Head of Human Resources will ensure that fraud and corruption prevention and control is incorporated in key human resource activities including:

- Recruitment and selection processes for Personnel, including the use of criminal background checks if necessary; verification of facts and documentation supporting applications for employment and volunteer placement and reference checks;
- Induction programme for new Personnel; and
- Personnel's development and training programs.

The Head of Human Resources with the support of the organization Lawyers will advise the advisory board to ensure that suspected allegations of fraud and corruption are fully investigated and sanctioned, and that such investigation procedures.

8.6 External Auditors

Pursuant to the CSSC's Financial Regulations, the external auditor will provide external oversight for the organization. While the external auditor is not responsible for detecting fraud, if any cases of fraud are detected in the course of their audit work they shall to report it the Executive Secretary and/or Advisory Board.

Subject to the confidentiality requirements, the personnel designated above may delegate their responsibilities to a qualified individual. However, the ultimate accountability for specific responsibilities set forth in this policy remains with the original designee.

8.7 Governance and Accountability

The Executive council will coordinate oversight of this policy and review and update according to the timeframe specified in the policy. The Executive council will monitor and report against this policy utilizing standardized data with appropriate levels of confidentiality.

8.8 Handling of Allegations

The handling of any allegations of fraud or corruption including investigations and any eventual disciplinary measures and/or pressing of civil or criminal charges shall be in accordance with the organization's Disciplinary Measures, Human Resource Policy and this Policy.

a) Reporting of Fraudulent or Corrupt Practices

Personnel who have knowledge of an occurrence of fraud or corruption, or has reason to suspect that a fraudulent or corrupt act has occurred, have a duty to promptly report any reasonable allegations through the channels identified therein.

The Organization will use its best efforts to ensure that Staff, Members, Partners, Contractors, Beneficiaries, suppliers report allegations of fraud and corruption to their contact person at CSSC.

Proven abuse of the process by raising knowingly false, vexatious or malicious allegations will be regarded as a serious breach of the organization's Code of Conduct, and may also result in disciplinary measures or legal action.

b) Confidentiality of Information and Identity Protection

Members, Personnel, partners, contractors, beneficiaries and suppliers who reported in good faith suspicions of fraud or corruption shall not discuss the matter with anyone other than the person to whom the report is made, unless it was not addressed to the right person in the first place or, as otherwise directed.

The organization will take all appropriate measures to ensure that information reported remains confidential and is only disclosed to authorized individuals and investigators.

The organization will protect the identity of those reporting in good faith any suspicions of fraud and corruption and take appropriate measures to protect them from retaliation. In case of a reasonable fear of adverse reaction from the person whom they reasonably suspect as having committed a fraud or a superior, reports may be made anonymously. In situations whereby the person reporting the incident is needed to provide evidence, that person identity should only be revealed with his/her consent or if required by law.

c) Security of Data

So ensure that all documentation relating to an alleged fraud or corruption is available for review in its original form immediate action to prevent the theft, alteration, or destruction of all such documentation will be taken. Such actions may include, but are not necessarily limited to:

- Removing the documentation, computers, hard disks and any electronic data storage media from its current location and securing it in another location;
- Limiting access to the location where the documentation, computers, hard disks and any electronic data storage media currently exists;
- Preventing the individual suspected of committing the fraudulent or corrupt act from having access to the documentation, computers, hard disks and any electronic data storage media pending the investigation; and
- Obtaining urgent advice from a suitably qualified internal or external expert in connection with the handling of electronic documentation or media.

d) Investigation

The organization will promptly and efficiently investigate suspected instances of fraud and corruption in accordance with the Human Resources Manual and this Policy. Any investigation pursuant to this Policy will be conducted impartially, fairly and thoroughly.

e) Whistle Blowing Protection

Where there is proof of fraud or corruption, appropriate disciplinary action will be taken against Personnel in accordance with the organization's Code of Conduct and Human Resources Manual.

The Organization has a zero-tolerance policy to any form or retaliation against a person who either reports reasonably-held suspicions of fraud or corruption, or who cooperates in any such investigation.

Deterring anyone from reporting suspicions of fraud or corruption or witnessing such acts in an investigation is a serious breach of the organization's Code of Conduct and may result in disciplinary measures.

f) Recovery Measures

The Organization may seek to recover any losses resulting from fraudulent or corrupt activity using all means at its disposal, including civil or criminal legal action. In case of fraudulent or corrupt practices by partners, contractors, beneficiaries or suppliers' appropriate recovery measures will be taken in accordance with this Policy and the relevant contractual arrangements.

9.0 Conflict of Interest

Conflict of interest arises when an employee or a member of an employee's family directly or indirectly:

- Participates in CSSC or related entity evaluation, selection, award, or administration of a contract, loan, purchase, sale, investment order, donation, or other transaction that will directly or indirectly benefit an employee or their family.
- Has a financial or other commercial interest (except ownership of less than five percent of the stock of a publicly held company) or is in a position of power, authority, influence, governance or control as to any party doing business with CSSC, its programs or related entities and a CSSC staff member is engaged or potentially influences the transaction.
- Stands to gain personally or individually from any transaction in which CSSC, a CSSC program or a CSSC related entity is a party.
- Accepts gifts, favors, or anything of monetary value from CSSC Development Partners or vendors, including contractors, (except for unsolicited gifts of a nominal value, training, travel, materials, or other items provided for the benefit of CSSC with supervisor approval).
- Owes fiduciary or other duties of loyalty to another entity that is partnering, lending, donating, investing, negotiating or otherwise transacting business with CSSC and the employee as CSSC staff is engaged or potentially influences the transaction.

9.1 Disclosure in Conflict Situations

In the event an actual or perceived conflict of interest arises or may reasonably be foreseen as provided for in this policy, CSSC staff must disclose such interest or relationship to his/her immediate supervisor. The staff member must refrain from participating in CSSC decision-making relating to the affected CSSC transaction, absent him/herself from the room while the decision is taken and refrain from attempting to exert any influence on CSSC to affect its decision. The foregoing, however, should not be construed to prevent the staff member from briefly stating his/her position in the matter, or from answering pertinent questions from his/her supervisor since his/her personal knowledge may help CSSC reach its decision. If appropriate and necessary, a disinterested person or committee will be appointed to investigate alternatives to a proposed transaction.

9.2 Approvals of Conflicts of Interest

In certain, limited circumstances, employees may receive approval to remain in an actual or perceived conflict of interest situation, and fully participate in the CSSC decision-making. Such an approval must be granted in writing by the Executive Director and placed in the employee's personnel file.

9.3 Conflict Situations for Fundraisers and Advocacy Staff

If an employee receives a gift from a potential or actual Development Partner or advocate, he/she must ask that the Development Partner make the gift to CSSC

instead of directly to him/her. If the Development Partner refuses or the gift is already irrevocable, the employee should, after consultation with the appropriate staff at CSSC, disclaim (or politely decline) the gift. Any other final resolution, including without limitation approval to remain in conflict or retain the gift, requires approval from Executive Director as described above, which approval should be in writing and placed in the employee's personnel file.

9.4 Non-platonic Relationships between Colleagues

Employees who develop non-platonic relationships after the start of employment may be allowed to continue working in the same capacity as long as the situation poses no conflict of interest and the employees are not in a superior/subordinate relationship or on the same project team. If both employees report to the same manager, one partner may need to transfer from the unit or department.

Matters such as hiring, firing, promotions, performance management, compensation decisions, financial transactions, etc. are examples of situations that may require reallocation of duties to avoid any actual or perceived reward or disadvantage.

Supervisors, managers, SMT Members or anyone else in sensitive or influential positions must disclose the existence of any relationship with another coworker that has progressed beyond a platonic friendship. Disclosure may be made to the immediate supervisor or the relevant Administration and Human Resources Manager. This disclosure will enable the organization to determine whether any conflict of interest exists because of the relative positions of the individuals involved. In the case of a necessary job transfer, refusal of reasonable alternative positions, if available, will be deemed a voluntary resignation.

10.0 Fraud Investigation Report

10.1 Qualities of Fraud Investigation Report

The key qualities of a good fraud investigation report are accuracy, clarity, and relevance.

Investigation reports must be accurate. Inaccuracies affect the credibility of the report and the writer. Statements written on the report must be based on verifiable evidence. The different forms of evidence are discussed separately in this section. It is important to reconfirm the facts before the report is written, not after.

Investigation reports must be clear. Use of clearest possible language when writing the report is important. The use of jargons should be avoided. If the use of technical terms cannot be avoided, explain the meaning for some readers who may not be familiar with the terminology. Avoid statements that are influenced by bias, personal feelings, interpretations or prejudice.

Investigation reports must be relevant. Only include matters that are relevant to prove or disprove the fraud allegation.

10.2 Forms of Evidence

The evidence can be in form of testimonial, documentary and demonstrative. Testimonial evidence are statements made by a witness. While oral statements are acceptable in court, it is best that witness statements are transcribed as accurate as possible in form of interview memos acknowledged by the witness. Interview memos can be acknowledged either by signing the printed memo or sending the transcription via email for confirmation of the witness. Documentary evidence are physical

documents, i.e., canceled checks, invoices, procurement or receiving documents, email correspondences, letters among others. Demonstrative evidence is a tangible item that illustrates propositions, i.e., maps, charts, photos, analysis among others.

Evidence can also be *direct* or *circumstantial*. Direct evidence proves or disproves the issue by direct proof; an example is a confession. Circumstantial evidence proves or disproves the issue indirectly, by inference. Many fraud cases are proven entirely by circumstantial evidence or by a combination of circumstantial and direct evidence1. Evidence must be appropriately referenced in the investigation report.

10.3 Contents of Fraud Investigation Report

The fraud investigation report must be able to convey all the relevant information to evaluate the allegation and corroborate the conclusion. While the sections of the investigation report can be defined, the writing technique may vary based on the nature of fraud allegation. To the extent applicable, the fraud investigation report should contain:

- **Background** This section states why fraud investigation has to be conducted. Succinct information about the allegation, date of receipt, alleged perpetrator, and individual(s) who requested the investigation must be included in this section.
- **Executive Summary** This section summarizes what was done and the outcome of the investigation.
- **Investigation Team** This section specifies the names and positions of investigation team members who conducted the investigation. The investigation team may be composed of individuals across different areas of expertise depending on the nature of the allegation. It can be internally resourced or externally resourced. It is essential that at least one member should have knowledge of accounting and auditing and have good communications and interviewing skills.
- **Investigation Approach** This section explains the scope and procedures performed during the investigation. Any exclusions not covered by the investigation procedures should be clearly defined in this section. The dates when the investigation was started and completed are also mentioned here.
- **List of Personnel Interviewed** This section summarizes the list of internal and external parties interviewed and how these persons are relevant to the allegation being investigated.
- **Diagram of Fraud Scheme** This section portrays a graphical representation of the scheme that the perpetrator committed to initiate and conceal the fraudulent act.
- **Factual Description of Events/Findings** This section delineates the factual series of events that transpired on the transaction or process under investigation. This section presents the results of investigation procedures performed. To the extent possible, each statement should be referenced to appropriate evidence, annexed to the report. Only relevant facts that could impact the conclusion should be included in the report. Avoid writing personal opinions that could not be backed up by credible evidence. Use of headings is recommended to keep the topics organized
- **Conclusion** This section provides a clear statement of whether the fraud allegation is true or not, based on the evaluation of evidence gathered during the investigation.
- **Analysis of Development Partner Impact** This section accounts for the dollar impact of the fraudulent act. List of transactions affected by the scheme and

corresponding Development Partner implications are summarized in this section. Award, Development Partner, fund code and project should be identified.

- **Analysis of Personnel Involvement** This section discusses the participation of individuals who either perpetrated or were instrumental to the perpetration of the scheme. The order of presentation should be from perpetrator to accomplice.
- **Summary of Internal Control Gaps & Recommendations** This section highlights the gaps or internal control breakdowns that led to an opportunity to commit fraud. Recommendations to prevent similar Summary of Internal Control Gaps and Recommendations.

11.1 References

Attachment A: Examples of Fraud and Corruption

Attachment B: Description of Anti-Fraud and Corruption Reporting Hotline ("CSSC Line")

Attachment C: Suggested Language for Contracts with External Parties

Attachment D: Initial Investigation of Suspected Fraudulent Act Report

Attachment A

Examples of Fraud and Corruption

- Intentional concealment, omission, falsification or perversion of truth
- Inducing another to part with some valuable item or surrender a legal right
- Nepotism
- Bribery, kickbacks and/or gratuities
- Collusive behavior with vendors
- Keeping false records,
- False claims (e.g. requesting payment for goods, services or activities not actually performed)
- Embezzlement, and theft
- Receiving or providing financial and non-financial favors with the intent of facilitating activities that the person may not normally receive
- Conflict of interest
- Falsification, misappropriation, and other fiscal irregularities refer to, but are not limited to:
- Any dishonest or fraudulent act
- Forgery or alteration of any document or account (including, but not limited to timesheets, payroll, accounts, travel and expense reports, procurement documents or inventory/asset registers)
- Forgery or alteration of a cheque, bank draft, or any other financial documents
- Misappropriation of funds, commodities, securities, supplies, equipment, or other assets
- Impropriety in the handling or reporting of money, financial transactions, or bidding procedures
- Accepting or seeking anything of material value from suppliers or persons providing services/materials as provided by applicable policies on gifts
- Destruction or misappropriation of records, furniture, fixtures, or equipment
- Diversion, alteration, or mismanagement of documents or information, and/or any similar or related irregularity
- Any malicious use of internet and IT documents or messages
- Cybercrime and/or identity theft

Attachment B

CSSC Whistleblower Hotline or "CSSC Hotline"

CSSC is committed to preventing, detecting and correcting fraud, misappropriations, discrimination, sexual harassment, exploitation and abuse, support of terrorism, and other wrongful conduct.

We want to know if you suspect, or have observed or experienced, wrongful conduct. The earlier we find out that something is going wrong in our organisation the sooner we can do something about it. We encourage you to share any concern that you may have.

Any CSSC employee or volunteer, partner, vendor, programme participant, or other outside party, may use this service to report wrongful conduct.

All reports of wrongful conduct will be taken seriously, and an investigation will be conducted.

Reports may be submitted anonymously, and will be kept confidential to the greatest extent possible consistent with the need to conduct an adequate investigation.

We will treat disclosures of wrongful conduct seriously and protect those who raise concerns in good faith. No employee will suffer harassment or retaliation.

On this site you may report a concern online or by phone. You may also follow up on a report.

To make a report on the hotline, you may:

- Go to https://cssc.or.tz/whistleblow click on "Make a Report" and follow the instructions.
- Call the hotline using telephone number that may be found at +255 22 212 7720

Attachment C

Suggested Language for Agreements with External Parties

Fraud and Corruption. CSSC does not tolerate fraud and corruption, and we expect the same from everyone with whom we work. [Insert outside party defined term] shall maintain and comply with written codes of conduct and policies and procedures that protect against any form of fraud and corruption, bribery, kickbacks, conflicts of interest, and others. Upon request, [insert outside party defined term] shall share with CSSC its applicable codes of conduct, policies and procedures. [Insert outside party defined term] shall inform CSSC immediately (within twenty-four hours) and in writing of any instance of actual or suspected fraud or corruption related to its work hereunder and shall respond promptly to and fully cooperate with any investigation CSSC or any Development Partner, in their discretion, may require. [Insert outside party defined term] shall make all staff aware of and encourage reporting of any suspected or actual fraudulent or corrupt behavior to CSSC's whistleblower hotline.

Attachment D

Initial Investigation of Suspected Fraudulent Report

Pursuant to CSSC's Policy on Fraud and Corruption Prevention, Awareness, Reporting and Response, each CSSC office or entity receiving an allegation of fraud or corruption must complete and submit this report immediately (within five business days unless sooner as required by the Development Partner). This form should be submitted in all cases regardless of Development Partner, amount, or materiality, and should be submitted prior to a full investigation. The CSSC Manager or his/her delegate should transmit this document electronically to the appropriate senior management. **One or two sentence responses to each item below are sufficient for purposes of this initial report**.

1) CSSC Office or Entity: _____

2) Development Partner(s) and project(s) compromised: _____
_____

3) Date of discovery: _____

4) Method of discovery: _____

5) Details:_____
_____

6) Amount or value (estimate if necessary): _____

7) Initial internal control weaknesses or systems failures identified:_____
_____

8) Initial remedial actions taken:_____
_____

9) Potential for additional related fraud or corruption losses:_____
_____

10) Initial determination of fraud/corrupted amount:_____

11) Initial determination if Development Partner reporting is required:_____

[Attach additional pages or attachments if necessary]