



**WEST NILE PRIVATE SECTOR DEVELOPMENT
PROMOTION CENTRE LTD (WENIPS)**

Promoting the Private Sector for Sustainable Development

**THE PREVENTION, DETECTION AND MANAGEMENT
OF MISCONDUCT AND DISHONESTY POLICY, 2017**

**DRAWN AND APPROVED BY:
THE BOARD OF DIRECTORS
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A POLICY PROVIDING FOR STRONG MEASURES TO DETECT AND PREVENT UNACCEPTABLE BEHAVIOUR, CONCEALMENT, MISAPPROPRIATIONS, FALSE REPRESENTATION AND OTHER IRREGULARITIES AND TO PROVIDE FOR THE PROMOTION OF CONTROLS, TRANSPARENCY, HONESTY, INTEGRITY, GOOD GOVERNANCE AND OTHER RELATED MATTERS

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THE PREVENTION, DETECTION AND MANAGEMENT OF MISCONDUCT AND DISHONESTY POLICY, 2017.

*(Made under the Companies Act (CAP 110)
And (WENPIS MOG Chapter 3 Sec 3.6)*

MEMORANDUM

The Object of this Prevention, Detection and Management of Misconduct and Dishonesty Policy, 2017, is to recognize that many hitherto vibrant organizations in the country have experienced disastrous cases of internal and external fraud and unacceptable behavior at some point, and therefore it is provided here for each and every member and or staff and or partner of the West Nile Private Sector Promotion Center Limited (WENIPS) to get engaged in proactive, quick, open and firm prevention and protection of the organization from fraud and to facilitate the development of controls that will aid in the detection and prevention of fraud against WENIPS and its partners. It is the intent of WENIPS to promote consistent organizational behavior by providing policy guidelines and assigning responsibilities for the development of controls and conduct of investigations.

This Policy applies to any irregularity, or suspected irregularity, involving employees as well as members, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with WENIPS (also called the Organization or alternatively, the Company). Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, Position/title, or relationship to the Company.

The Policy creates a duty on the Leadership of WENIPS to mobilize and sensitize the entire organization from time to time on the importance of preventing and protecting the organization from fraud and its possible effects on the organization. It also empowers them to enforce actions and or have it enforced on them, as well as to build the capacity of the key

stakeholders and employees to engage in the fight against fraud and unacceptable behavior in the organization.

By this Policy, WENIPS hopes to implement its commitment to the highest possible standards of its mandate which are: concern for the poor, openness, mutual respect, transparency and accountability in all its affairs.

This Policy is geared to the promotion of a culture of honesty and integrity in all our services to; and relationship with; the different stakeholders thus promoting zero tolerance to misconduct and dishonesty which usually results into fraud in all its forms.

The Policy provides for offences and reprimands for the offences that include penalties, compensation and fines, as well as interdiction from service and termination of service and or business closure. The Policy shall not however contravene other existing or higher laws, rules and regulations governing company establishment and operations as well as the laws instituted for fighting fraud in government, private organizations and or companies in the Republic of Uganda.

THE PREVENTION, DETECTION AND MANAGEMENT OF MISCONDUCT AND DISHONESTY POLICY, 2017.

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A POLICY PROVIDING FOR STRONG MEASURES TO DETECT AND PREVENT UNACCEPTABLE BEHAVIOUR, CONCEALMENT, MISAPPROPRIATIONS, FALSE REPRESENTATION AND OTHER IRREGULARITIES AND TO PROVIDE FOR THE PROMOTION OF CONTROLS, TRANSPARENCY, HONESTY, INTEGRITY, GOOD GOVERNANCE AND OTHER RELATED MATTERS:

Date of ASSENT:TH 2017

Date of COMMENCEMENT:TH JANUARY 2017

BE IT PROVIDED BY THE BOARD OF DIRECTORS OF WENIPS AS FOLLOWS:

PREAMBLE

WHEREAS WENIPS is committed to the highest possible standards of delivering its mandate which is enshrined on the pillars of concern for the poor, openness, mutual respect, transparency and accountability in all its affairs.

AND WHEREAS WENIPS endeavors to promote a culture of honesty and integrity in all its service delivery to its Constituents and in building relationship with the different stakeholders to ensure zero tolerance to misconduct and dishonesty which usually results into fraud in all its forms.

WHEREFORE, WENIPS having noted that misconduct and dishonesty have hazardously contributed to and revealed themselves in the following ways in many hitherto vibrant organizations:

- actual financial losses incurred
- damage to the reputation of the organizations and the employees
- negative publicity
- the cost of investigation
- loss of employees
- loss of customers
- damaged relationships with contractors and suppliers
- litigations and imprisonment

- damaged employee morale
- worst still wind up and closures of organizations

THEREFORE;-

THIS PREVENTION, DETECTION AND MANAGEMENT OF MISCONDUCT AND DISHONESTY POLICY, 2017, is established to provide for the following:

- A clear definition of what we mean by "misconduct and dishonesty"
- A definitive statement to Staff forbidding fraudulent activity in all its forms
- A summary statement to staff on their responsibilities in exposing fraud and fraudulent activities and for establishing controls and procedures for preventing any such fraudulent activity and/or detecting such fraudulent activity when it occurs.
- A guidance to all employees as to action which should be taken where they suspect any fraudulent activity.
- A clear guidance on the responsibilities for conducting investigations into fraud related activities.
- A protection to employees in circumstances where they may be victimized as a consequence of reporting, or being a witness to, fraudulent activities.

WHEREFORE:-

We, the Board of Directors of West Nile Private Sector Promotion Center Limited (WENIPS), having worked closely with the Staff, have hereby formulated and do provide ourselves this Policy for PREVENTION, DETECTION AND MANAGEMENT OF MISCONDUCT AND DISHONESTY POLICY, 2017, to protect and defend WENIPS from fraud and corruption.

We hereby give ourselves this "Prevention, Detection and Management of Misconduct and Dishonesty Policy 2017" thisth day of, 2017.

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BOARD CHAIRMAN

**BOARD SECRETARY/CHIEF
EXECUTIVE OFFICER**

PART I: TITLE AND INTERPRETATION

SECTIONS

1. Short Title / Citation

The Policy shall be cited as "WENIPS Prevention, Detection and Management of Misconduct and Dishonesty Policy, 2017. "

2. Interpretation

In this Policy unless the context otherwise requires:

"Policy" means and includes this "WENIPS Prevention, Detection and Management of Misconduct and Dishonesty Policy, 2017. "

"Misconduct and dishonesty" means and includes but are not limited to: Acts which violate the organization's Code of Conduct; Theft or other misappropriation of assets, including assets of the company, development partners, beneficiaries, or others with whom we have a business relationship; Misstatements and other irregularities in company records, including the intentional misstatement of the results of operations; Profiteering as a result of insider knowledge of company activities; Disclosing confidential and proprietary information to outside parties; Forgery or other alteration of documents; Accepting or seeking anything of value from suppliers, development partners or other persons providing services/materials to the company ; Fraud and other unlawful acts; and, any similar acts.

"Anonymous tip" Means and includes fraud information given to the organization by an unknown or unidentified source or informer.

"Accidental Discovery" means and includes the discovery of fraud in the organization by an opportunistic chance.

“Audit” means and includes the regular internal and external auditing of the books of accounts to ensure compliance to the budget, work-plans, policies and regulations in the management affairs of the organization.

“Employee” means and refers to the Staff of WENIPS and its partners.

“Supervisor / Manager” means and includes an employee in the position of authority over other Staff or a number of Staff in a Department or Section of service delivery in the organization

“Executive” means and includes a Board Member and or a top management employee of the organization

“Cover up” refers to and includes concealment of facts and evidence with impunity

“Internal Controls” means and refers to organizational pro-active management measures put in place and practiced to detect, defend, expose and stop occurrence of fraud in the organization

PART II: ADMINISTRATION / IMPLEMENTING BODIES

3. The Role of the Chief Executive Officer (CEO)

It shall be the role of the Chief Executive Officer (CEO) to;

- Mobilize and sensitize the communities and Staff on the importance of this Policy to WENIPS and its Constituents
- Disseminate, Popularize and enforce this Policy and any other related laws on anti-corruption and anti-fraud made by Central and Local Government Authorities to regulate the Civil Society.
- Regularly collect information on the cases reported or brought to his / her attention and appropriately handle them and report this to the Board of Directors for approval of the steps taken or to handle the cases further.
- Ensure that all the Staff are accorded their right to natural justice and truth in the application of this Policy in managing WENIPS.

4. The Roles of the Staff / Employees

It shall be the role of the Staff to:

- a) Ensure that this WENIPS Policy for "Prevention, Detection and Management of Misconduct and Dishonesty, 2017", is observed at all Levels of the organization.
- b) Ensure they join in and or, collaboratively participate to ensure WENIPS is a Fraud Free organization.
- c) Report cases of suspected fraud to the Chief Executive Officer (CEO) of WENIPS and or Board Chairman or to the Resident District Commissioner (RDC) of a District to bring to the notice of the organization as these are regulatory supervisors of all Private Sector in the Districts.

5. Roles of Community members.

It shall be the role of the community members to:

- Observe this this policy at all times.

- Report cases of suspected fraud to the Chief Executive Officer (CEO) of WENIPS and or Board Chairman or to the Resident District Commissioner (RDC) of a District to bring to the attention of WENIPS as an organization as these are regulatory supervisors of all Private Sector and NGOs at the District levels.

6. Board of Directors

- a) These shall be the overall oversight supervisors of the CEO and the management team in all administrative, management and financial matters.
- b) The Board of Directors shall regulate its own procedure, plan its activities and freely reach its conclusions and last decisions, on any cases brought to its attention, based on its own convictions, the rule of natural justice and in abidance with the laws of Uganda in regards to handling fraud cases/ and, suspects
- c) The Board of Directors shall be responsible for all technical advisory matters on fraud cases and advise the CEO on the quality standard matters as instituted in this Policy and other regulations, and any other rules and procedures made by the Board of Directors or any other Anti-Fraud Laws made by the Government of Uganda to regulate the private sector.

PART III: MISCONDUCT AND DISHONESTY CONTROL MEASURES

7. Fraud Accusation by Anonymous-tip Source(s).

- a) There shall be established at WENIPS, in the reception area, a letter box, into which all anonymous tips on fraud shall be dropped in writing.
- b) In addition, WENIPS shall maintain an open door policy, where members of the public shall be warmly welcome to speak to the CEO or his officially delegated representative acting in his place, to receive members of the public in Office with minimal restrictions and in this way, direct verbal complaints shall be received, registered and considered.
- c) WENIPS shall also directly register and maintain phone, web, what's-up, face book and twitter lines/boxes to keep in touch with the wider public to continue to receive all kinds of information including any anonymous tips on fraud related matters.
- d) Any fraud complaints received using any of the anonymous tip sources shall be speedily investigated and handled according to this policy and other related laws at WENIPS.
- e) Any failure to handle the reported anonymous source matter/cases shall constitute an offence of cover up.
- f) Any suspect accused by an anonymous tip or accused of cover up shall first be suspended from office without pay for a period of 3 months during which time the matter shall be investigated and handled.
- g) Where the suspect is found innocent and cleared, his/her 3 months withheld salary is paid and he/she continues in service normally.
- h) Where the suspect is proved guilty, and is punished by dismissal, his/her 3 months' withheld salary shall be paid plus any terminal benefits less of any amounts due to WENIPS.

8. Fraud Cases Uncovered by Accidental Discovery.

- a) Every accidental discovery of fraud shall be promptly reported to the Chief Executive Officer (CEO), the Audit Committee and or, to the Board of Directors for investigation.
- b) Any failure to report or handle the reported accidental discovery shall constitute an offence of cover up.
- c) Any suspect accused by an accidental discovery fraud case or accused of cover up shall first be suspended from office without pay for a period of 3 months during which time the matter shall be investigated and handled
- d) Where the suspect is found innocent and cleared, his/her 3 months withheld salary is paid and he/she continues in service normally.
- e) Where the suspect is proved guilty, and is punished by dismissal, his/her 3 months' withheld salary shall be paid plus any terminal benefits less of any amounts due to WENIPS.

9. Internal Audit.

- a) There shall be employed at WENIPS an Internal Auditor who shall be responsible for the verification of all transactions for payment for compliance.
- b) Every Internal Audit discovery of fraud shall be promptly blocked from payment and reported to the Chief Executive Officer (CEO), the Audit Committee and or, to the Board of Directors for investigation.
- c) Any failure to report or handle the reported Internal Audit matter/cases shall constitute an offence of cover up.
- d) Any suspect accused of intimidating or covering up an Internal Audit Query shall first be suspended from office without pay for a period of 3 months during which time the matter shall be investigated and handled
- e) Where the suspect is found innocent and cleared, his/her 3 months withheld salary is paid and he/she continues in service normally.

- f) Where the suspect is proved guilty, and is punished by dismissal, his/her 3 months' withheld salary shall be paid plus any terminal benefits less of any amounts due to WENIPS.

10. Internal Controls

- a) The CEO shall ensure there are internal controls in place to manage transactions at WENIPS and such controls shall include rules and regulations, administrative procedures, systems and checks and balances in implementing project activities.
- b) There shall be established at WENIPS Internal control policy provisions that include this policy, Board of Directors, Committees, Monitoring and Review Staff Teams, M&E Plan and Framework, Consortium and or Partner Steering Committees to ensure internal controls and procedures
- c) There shall also be a store and watchmen, as well as strong wire fence sealing the office.
- d) Additionally, there shall be official stamps and seal of the organization that shall be used for signing by the responsible officers.
- e) Every fraud discovery through internal control shall be promptly blocked from payment and reported to the Chief Executive Officer (CEO), the Audit Committee and or, to the Board of Directors for investigation.
- f) Any failure to report or handle the reported matter/cases shall constitute an offence of cover up.
- g) Any suspect accused of intimidating or covering up an Internal Control Query shall first be suspended from office without pay for a period of 3 months during which time the matter shall be investigated and handled
- h) Where the suspect is found innocent and cleared, his/her 3 months withheld salary is paid and he/she continues in service normally.

- i) Where the suspect is proved guilty, and is punished by dismissal, his/her 3 months' withheld salary shall be paid plus any terminal benefits less of any amounts due to WENIPS

11. External Audit Discovery.

- a) WENIPS as an organization shall regularly undertake external audit activity to ensure compliance and standards in its management and service delivery activities as it delivers its mandate
- b) Every fraud discovery through external audit shall be promptly reported to the Chief Executive Officer (CEO), the Board of Directors for investigation and the Annual General Meeting (AGM).
- c) Any failure to report or handle the reported matter/cases shall constitute an offence of cover up.
- d) Any suspect accused of intimidating or covering up an External Audit Query shall first be suspended from office without pay for a period of 3 months during which time the matter shall be investigated and handled
- e) Where the suspect is found innocent and cleared, his/her 3 months withheld salary is paid and he/she continues in service normally.
- f) Where the suspect is proved guilty, and is punished by dismissal, his/her 3 months' withheld salary shall be paid plus any terminal benefits less of any amounts due to WENIPS

PART IV: GENERAL MEASURES

12. Staff Code of Conduct.

- a) WENIPS shall develop a Staff code of conduct based on this Policy that shall be signed by each Staff at the time of hiring and thereafter annually during Annual Staff Appraisal periods to reawaken the Staff on the provisions of the Code of Conduct and this Policy, as well as obtain their commitment to abide by this policy.
- b) Any Staff who neglects or refuses to sign the code of conduct shall be deemed to have relinquished his/her position at WENIPS Voluntarily and therefore shall be summarily terminated from service and his/her terminal benefits. If any, shall be paid

13. Investigations of Misconduct and Dishonesty

- a) It is the duty of everyone to report fraud, concealment, misconduct and fraud but it is not the duty of everyone to Investigate the allegations
- b) Every Investigation of fraud shall be undertaken by a competent Authority and the report delivered within 3 Months and such competent Authority shall include but not be limited to: M&E Staff Team; Audit committee; Board of Directors; Steering Committee; Special Investigator; Police General Inquiry Department and so on.
- c) The general steps to be taken against a suspect or suspects is/are: Suspension from duty during Investigation, criminal prosecution for the offence, or civil fraud suit, or offer a clean termination of the perpetrators employment, in lenient cases with a negotiated exit restitution.

PART V: MISCELLANEOUS

14. Amendment

Any amendment made to this Policy shall be proposed to the Board of Directors and shall have to be seconded by 2/3 Board Members.

15. Review.

- a) This Policy shall be in full force immediately upon its Assent by the Chairman Board of Directors.
- b) The Board of Directors may, by the recommendations of the Secretary to the Board and with the approval of 2/3 of the Board Members, review and amend parts or the whole of this Policy, based on a five yearly periodic review following an evaluation of the implementation experiences and new developments in organizational Developments, especially in the NGO and Private Sector.

Ordained thisTH day of 2017 at WENIPS HEAD OFFICE Nebbi District.

For and on behalf of the WESTNILE PRIVATE SECTOR PROMOTION CENTER LIMITED (WENIPS) at Plot 29/30 Arua Road, Afere Cell, Forest Ward, Thatha Division in the Nebbi Municipal Council.

CHAIRMAN BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER/BOD
SECRETARY