

THE PEEF ANTI-FRAUD POLICY

This policy will be read in conjunction with PEEF Administration and HR Manual Chapter General and Administrative Policies Section 1.5 Employee Discipline.

Policy:

1. What is Fraud?

Fraud is defined as the use of deception by an individual with the intention of obtaining an advantage for himself or herself or for a third party or parties, avoiding an obligation, or causing loss to another party.

Opportunities to commit fraud may be reduced by ensuring that a sound system of internal control, proportional to risk, has been designed and implemented and is functioning as intended.

2. Fraud Prevention

Everyone in PEEF has a responsibility as well as obligation to contribute to the management of fraud risk.

PEEF expects all staff to be honest and fair in their dealings on behalf of PEEF. Any detected case of fraud will be thoroughly investigated, with disciplinary or criminal sanctions pursued where appropriate and possible, and the losses will be recovered by any lawful means available. PEEF is also committed to ensuring that opportunities for fraud are reduced to the lowest possible level of risk; that effective controls are maintained to prevent fraud, and that systems and procedures are reviewed and improved following detected cases of fraud.

There are four major facets to PEEF's strategy for effective fraud prevention:

2.1. A Culture of Honesty and Ethics

The most persuasive and effective method of preventing fraud is the promotion by senior management of an ethical and transparent environment that encourages staff members at all levels to actively participate in protecting the PEEF's reputation and resources.

2.2. Risk Management and Internal Control

Establishing the Risk Management and internal control system ensures to keep the fraud risk at the lowest level. It may also help to identify the key fraud risk factors and relevant internal controls.

2.3. Awareness Raising and Training

Fraud awareness raising and training underpins fraud prevention and detection. PEEF will ensure that all employees are aware of their responsibilities for fraud control and ethical behavior. Targeted training will be provided for new staff and refresher training for current staff.

2.4. Oversight Process

Independent reviews by internal and external auditors will examine the effectiveness of internal controls and review operations for evidence of fraud.

Procedure

PEEF Staff Members' Responsibility

PEEF staff members should report any suspected fraud. If staff become aware of a suspected fraud they should take note in writing of any pertinent details, including what was said or done by whom, the date, the time, the location and the names of the individual(s) involved.

If an allegation is determined to have been made frivolously, in bad faith, maliciously, for personal gain or for revenge, disciplinary action may be taken against the person making such an allegation. Any information provided by staff member will be kept secret including the name of the person who provided information.

Reporting process

Depending on the circumstances of who is thought to be involved in the suspected fraud, PEEF staff members should report in writing the suspected fraud to one of the following, in order of preference:

1. The line manager(s) of the individual(s) suspected of committing fraud.
 - The line manager(s) is required to report the concern to the Chief Executive Officer.
2. If the line manager(s) is a potential suspect, then staff members should report the concern directly to the Chief Executive Officer.
3. If the Chief Executive is a potential suspect, then staff members should report the concern directly to the Vice Chairman.

PEEF Managers' Responsibility

- If informed of a fraud, managers should listen carefully and with respect to staff, ensure that every report is treated seriously and sensitively, and give every allegation a fair hearing.
- Managers should obtain as much documentation and information as possible regarding the alleged fraud, including any notes or evidence.
- They should reassure staff members that they will be protected and will not suffer any reprisal for having reported allegations made in good faith.
- Managers are required to prepare a written report of the details of a suspected fraud that has been reported to them, and provide it to the Competent authority.
- Managers **should not** confront the alleged perpetrator or carry out an investigation themselves. Instead, the matter should be reported immediately to the CEO.

Appropriate response to misconduct will be initiated as per section 1.5.4 of the General & Administrative Policies in Admin and HR Manual of PEEF.