

# I Speak Out Now for Better Grant Impact!

# INTRODUCTION

The Global Fund has zero tolerance for fraud, corruption and wrongdoing that prevent resources from reaching the people who need them.

Wrongdoing can have a negative impact on your programs. However, if it is identified early, your programs will have a greater chance of reaching their objectives. Preventing small-scale fraud and abuse from escalating into major wrongdoing can help ensure that you save as many lives as possible.

Some large organizations that deliver programs financed by the Global Fund have dedicated resources for preventing, disrupting and detecting wrongdoing. Other smaller organizations may not have the tools or staff available, but may have to deal with the consequences of wrongdoing at some point.

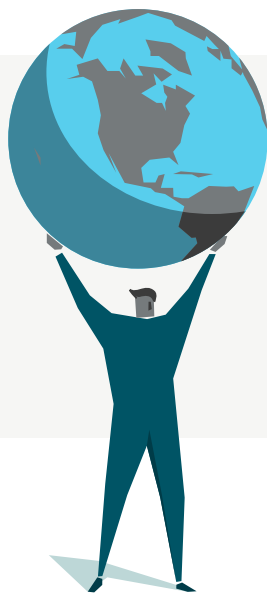
The aim of this tool kit is to provide an anti-corruption overview, including some practical guidance and tools, to help you identify and respond to wrongdoing in your organization. It also provides you with some tips on the policies, procedures and responses necessary to protect your organization against the negative impact of fraud, abuse or human rights violations.

This tool kit is part of the **I Speak Out Now!** Global Fund anti-corruption initiative. Discover more materials, case studies and testimonials at this address <http://www.ispeakoutnow.org/>

If you have any questions or would like some training regarding this tool kit, contact the OIG at [ispeakoutnow@theglobalfund.org](mailto:ispeakoutnow@theglobalfund.org).

In this kit, you will find the following sections

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# 1. BEFORE YOU START

Comprehensive whistle-blower policies and procedures, combined with centralized wrongdoing reporting mechanisms are key to an effective anti-fraud and corruption program. Consistent and accurate data will greatly enhance your knowledge management and the organizational memory of your organization, as well as help you prepare for audits or compliance inspections.

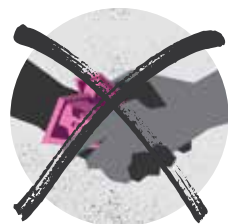
Before you start, use tools one and two to conduct a self-assessment of your existing whistle-blower and fraud reporting mechanisms, and to do a health-check on the wider anti-fraud and corruption control environment in your organization.



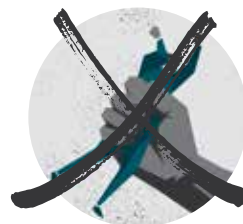
## Tool 1: Anti-Fraud and Corruption Self-Assessment



## Tool 2 : Anti-Fraud and Corruption Controls



Bribery and kickbacks



Abusing power or authority for personal gain



Irregularities in tender processes



Counterfeiting drugs



Stealing money or medicine

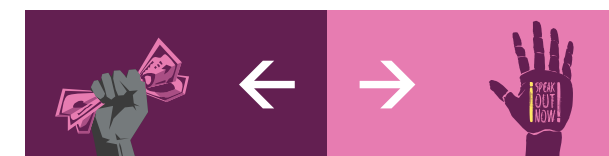


Fake invoicing

# 2. POLICIES AND PROCEDURES

Policies and procedures help to ensure that employees and partners know how to conduct themselves properly, and the consequences if they don't. Key policies should be summarized in employment contracts for individuals, and where applicable in third party contracts, such as suppliers and sub-recipient contractors.

Key policies should be emphasized during the induction of new employees, and supplemented by easily accessible information in your employee handbook, website, intranet, and noticeboard publications. On a regular basis partner organizations should be required to confirm that they accept and comply with the relevant policies identified in contracts and standard terms and conditions. Not having key policies in place may make it impossible to prevent fraud and abuse, investigate wrongdoing by staff or partner organizations, or implement discipline or sanction procedures. Many policies will be inter-related and form an overall ethics and integrity framework.



Below you will find some examples of policies and procedures that are good to have.

#### **Employee Handbook and Discipline Procedures**

An Employee Handbook should include the terms of employment and working conditions in your organization, including an up-to-date policy on Discipline Procedures and the actions the organization will take in the event of alleged or confirmed wrongdoing by employees.

#### **Code of Conduct**

A Code of Conduct will set out the organization's objectives and mission, identify expected values and behaviours, and connect these to the daily work and activities of employees and partner organizations. Clear guiding principles should define the organizational culture and principles such as integrity, accountability, dignity and respect. It should also state an organization's zero tolerance to fraud, corruption and waste. Employees and partner organizations should be reminded of their individual responsibilities to prevent fraud, combined with clear instructions on how to report actual or potential fraud when it is discovered.

When wrongdoing is identified, employees and partner organizations should be encouraged to openly report the situation to a designated focal point. Where employees or partner organizations do not have the confidence or support to report wrongdoing openly, a whistle-blowing mechanism should be put in place to allow confidential or anonymous reporting of wrongdoing.

#### **Whistle-blowing Policy**

Whistle-blowers play an essential role in exposing fraud and corruption and other types of wrongdoing that can compromise grant impact. By reporting such concerns, whistle-blowers have helped save countless lives and millions of dollars in public funds, while preventing emerging scandals or disrupting large scale fraud.

A whistle-blowing policy and procedure should allow all employees and stakeholders to speak out. Tool three is an example of a whistle-blowing policy.



#### **Tool 3: Global Fund Whistle-Blowing Policy**

## **3. WHISTLE-BLOWING MECHANISMS**

A whistle-blowing mechanism helps to reduce fraud, corruption or human rights violations in programs. The mechanism should allow staff to speak out safely, confidentially or anonymously without fear of reprisal.

#### **Provide a range of accessible reporting channels**

You should consider a range of user-friendly ways to allow employees to speak out.

For example:



**a telephone hotline with secure voicemail**



**written communications to a specific and protected address**



**internet reporting via secure web pages**



**an sms service**



**external reporting via a contracted third party provider of services**

Additionally it is good practice to identify a specially trained wrongdoing 'focal point' in your organization who can receive and assess reports of wrongdoing.

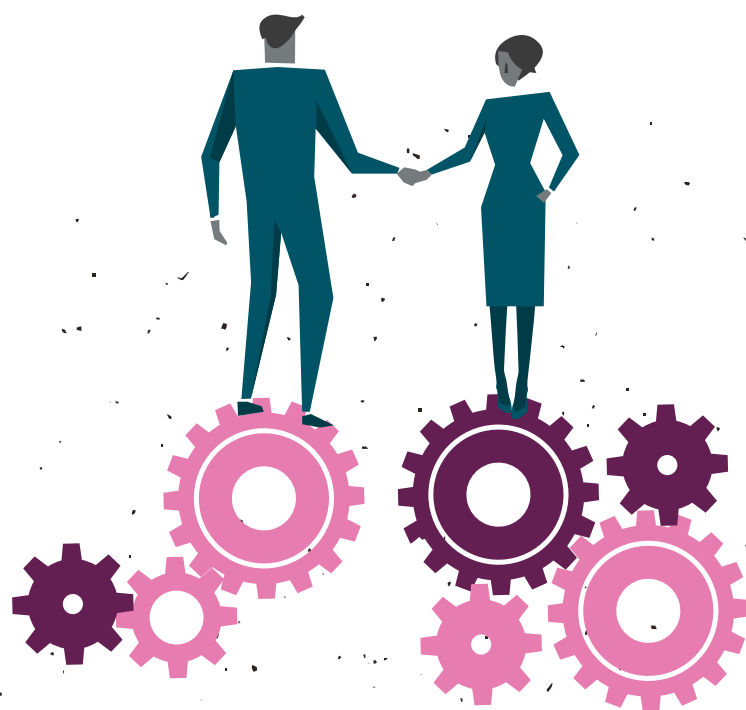
#### Managing your channels:

- The mechanism must record data in an accurate and consistent way to enable case tracking, reporting and analysis
- Technology, systems and data must be secure and comply with national regulations
- A well run program requires dedicated expertise in compliance and risk management
- The mechanism's results and efficiency must be transparent to key stakeholders

Reporting mechanisms and associated policies need to be well advertised within your organization through posters, digital platforms and special events.



#### Tool 4: An example of a poster that you can personalize for your organization



## 4. REPORTING AND RECORDING

#### Tone from the top

Tone from the top is critical to the success of your anti-corruption program. Your senior management team should agree on policies, procedures and reporting channels. A senior manager or suitably experienced person should be identified as a focal point with overall responsibility for prevention, reporting and response.

In an organization with a strong ethical culture, your employees should be able to escalate concerns about wrongdoing directly to their managers. Managers should then record these concerns and forward them to the focal point via a centralized reporting system.

A centralized anti-corruption reporting and recording system will help you organize all reports from whistle-blowers and referrals from managers regarding actual or potential wrongdoing. A built in data base will protect sensitive information and allow tracking and analysis of individual and multi-cases, regardless of the reporter or reporting channel.

#### Consistent and accurate data

You should record all data from whistle-blowers and reporters consistently and accurately. Data collection over time provides valuable records and information that can be tracked for trends and themes, or used to recover historic cases for review. Furthermore, a comprehensive reporting and recording system will enable you to be audit-ready.

Centralized software can provide comprehensive reporting and case management solutions, however, for organizations with limited resources, in this section you will find a few tools for you to adapt.



Reporting, assessing and investigating fraud can range from minor dishonesty by a single individual, to complex and systemic embezzlement by several people acting together across different functions or partner organizations.

Your initial assessment should include the following six basic questions:



What happened?



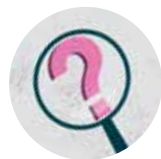
Where did this happen?



When did this happen?



Who is involved?



Why did this happen?



and how did this happen?

Timely reporting, a thorough but proportionate early response, and identifying and mitigating root causes are all key to an effective anti-corruption plan.

You can improve the consistency of your wrongdoing reporting by using a simple template like the tool five.



**Tool 5: Anti-Fraud and Corruption Reporting Template**

In addition, a centralized excel spreadsheet like tool six can provide a useful resource to enter and record additional key information, such as City/Country location, people and entities involved, type of fraud or wrongdoing reported, case management timelines and outcomes.



**Tool 6: Anti-Fraud and Corruption Incident Management Spreadsheet**

**Stakeholder Engagement**

If wrongdoing happens, you can expect high-level interest from your stakeholders. You may also be contractually obliged to talk to your donors or partner organizations.

Public interest and expectations from stakeholders, including the media, should always be considered in your wrongdoing response processes. In the absence of information, stakeholders may become suspicious and speculate. Dealing with fraud or corruption is always difficult, and it can temporarily and negatively affect the reputation of your organization. But if you are not transparent upfront, your organization may develop the reputation that it does not care about corruption, which will be far worse and damaging in the long run.

Tool seven gives you a day by day model of how to engage with your stakeholders to make sure that you have consistent and transparent information sharing processes in place.



**Tool 7: Anti-Fraud and Corruption Stakeholder Engagement Model**



## 5. NEXT STEPS

### Preliminary Assessment

The preliminary assessment of any allegation may involve gathering more facts and extra information. However, this should not lead to a full investigation. Early liaison with the Global Fund OIG and Secretariat Country Team is important as we can help you decide the best course of action, and next steps. The Global Fund may advise that you are best placed to conduct an internal investigation, or that the OIG takes ownership of the case. In both circumstances you can expect full liaison and support from the OIG.

## REPORT NOW!

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