

**ANTI-FRAUD AND ANTI-
CORRUPTION POLICY**

RDIS

Rural Development Inter-Diocesan Service
A Holy Soul in a Healthy Body

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1. Introduction

Rural Development Inter- Diocesan Service (RDIS) renounces all forms of fraud and corruption and will never tolerate them. It ensures that any of its employees works in an honest and ethical manner. It takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships. Any RDIS employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. Any non-employee who breaches this policy (or we have reasonable suspicion to believe this is the case) may have their contract terminated with immediate effect.

2. Definitions

a. Fraud

Fraud is an intentionally deceptive action designed to provide the perpetrator with an unlawful gain or the intentional use of false or misleading information in an attempt to illegally deprive another person or entity of money, property, or legal rights. In order to constitute fraud, the party making the false statement must know or believe that it is untrue or incorrect and intended to deceive the other party. In committing fraud, perpetrators may be seeking either monetary or non-monetary assets by deliberately making false statements. For example, knowingly lying about criminal history to get a job.

In this policy, the term fraud also refers to, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of company activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by the company
- 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
- Manipulation, falsification or adjustments of records or documents
- Suppression or omission of the effects of transactions from records or documents
- Recording of transactions without substance
- Asset misappropriation or wilful destruction, including theft of cash or other assets (suppliers, inventory, equipment, and information)
- Undisclosed personal economic interest (conflict of interest) in a transaction that adversely affects the organization or its shareholders
- Offering, giving, receiving, or soliciting anything of value to influence an outcome
- Provision of unreasonable donations to fake charity organizations
- Deliberate misapplication of accounting or other regulations or policies
- Theft or fraudulent use of computer time and resources
- Use of information technology equipment to manipulate program applications or data dishonestly(Computer fraud)
- And/or any similar or related irregularity

b. Examples of Internal Fraud

Examples of Internal Fraud include, but not limited to the below presented. They do not represent a comprehensive list of potential frauds but can be used as an illustration.

- Asset misappropriation:

Cash:

(i) Theft of cash: stealing money from petty cash; (ii) False payments: employee creating false payments instructions with forged signatures and submitting it for processing; (iii) Billing schemes: over billing customers; recording of false credits, rebates or refunds to customers; pay and return schemes; using fictitious suppliers or shell companies for false billing; (iv) Misuse of accounts: unrecorded sales or receivables; employee account fraud (where an employee is also a customer, and employee makes unauthorized adjustments to their accounts).

Non-cash:

(i) Inventory and fixed assets: theft of inventory; false write offs and other debits to inventory accounts; false sale of inventory; theft of fixed assets including computers and other IT related assets; receiving free or below market value or goods from suppliers; unauthorized private use of corporate property; theft or abuse of proprietary or other confidential information (customer information, intellectual property; pricing schedules, etc.); (ii) Contracting and procurement: falsifying documents to obtain authorization for payment; forging signatures on payment authorization; submitting false invoices for payment or from fictitious suppliers; sending fictitious or duplicate invoices to suppliers; mark-up invoices from contracts awarded to suppliers associated with employees; intercepting payments to suppliers; sale of critical bid information, contract details or other sensitive information; improper change to supplier's payment terms or other details; (iii) Payroll: fictitious (ghost) employees on the payroll; falsifying work hours to achieve fraudulent overtime payments; abuse of commission schemes; improper changes insalary levels; abuse of holiday leave or time off entitlements; submitting inflated or false expense claims; adding private expenses to legitimate expense claims; applying of multiple reimbursement of the same expenses; false workers' compensation claims.

- Fraudulent Statements:

Financial:

(i) Improper revenue recognition: holding the books open after the end of the accounting period; inflation of sales figures which are credited out after the year end; backdating agreements; improper classification of revenues; recording fictitious sales and shipments; inappropriate estimation of returns, price adjustments and other concessions; over/under estimation of work completed under long-term contracts; incorrect inclusion of related part receivables, etc. (ii) Misstatement of assets, liabilities and/or expenses: fictitious fixed assets; overstating assets acquired (through mergers and acquisitions); incorrect value attached to goodwill; manipulation of fixed assets valuation; off balance sheet items; delaying recording the expenses to the next accounting period, etc.; (iii) Other accounting misstatements: improper treatment of inter-company accounts; non clearance or improper clearance of suspense accounts; fictitious general ledger accounts; journal entry fraud; improper or inadequate disclosures, etc.;

Non-financial, include falsified employment credentials (e.g. qualifications and references) and other fraudulent internal or external documents.

c. Corruption

Corruption can include graft, bribery, facilitation payments or other forms of improper business practice. It can be summarised as the misuse of entrusted power or office, whether in the public or private sector, for private gain. It has the same attributes as set out for Bribery which is, in broad terms, the receiving or offering of undue reward or anything of value and includes payments to secure a business advantage, financial or otherwise, to which the company is not entitled. Anything of value can be a bribe, including a gift in kind or some other favour such as an offer of employment to a relative of the person being bribed. It can also be a sexual related act. It will involve the giver and the receiver in the improper performance of a personal, company or official responsibility.

d. Example of corruption

Conflict of interests:

(i) Kickbacks: kickback to employees by a supplier in return for a supplier receiving favorable conditions; purchase of a property at a price higher than market value in exchange of the kickback; preference treatment of a customer in exchange for a kickback, etc.; (ii) Personal interest: collusions with customers/suppliers; favouring a supplier in which an employee has financial interest; transfer of knowledge to a competitor by an employee who intends to join the competitor's company; insider trading; etc.

Bribery and extortion:

(i) Bribery: payment of agency/facilitation payment in order to secure a contract; authorizing orders to a particular supplier in return for bribes; giving and accepting payment to favor/not to favor other commercial transactions or relationships; anti-trust activities, such as price fixing or bid rigging, etc.; (ii) Extortion: blackmail (offering to keep information confidential in return for money or other consideration); extortion (offering to keep someone from harm in return for money or other consideration).

3. Policy by sections

a. Fraud and Bribes

RDIS does not take part in acts of fraud, corruption, or pay bribes or receive kickbacks either directly or indirectly. RDIS prohibits its employees from engaging in acts of fraud, corruption, and from paying bribes or kickbacks to, or accepting bribes or kickbacks from, public officials and private individuals such as the personnel of companies with which RDIS does business. A typical example of indirect bribery would be a case where it employs a commercial agent to help it win a government contract. The agent is paid by commission based on a percentage of the contract fee, and part of that commission is passed on to a government official.

RDIS does not tolerate such practices in any form or wherever paid. It is the responsibility of all employees who are involved at any time in engaging the services of external consultants, suppliers or advisers to ensure that such individuals are made aware of the content of RDIS's Anti-Fraud and Anti-Corruption policy at the outset of the relationship and on a regular basis thereafter.

b. Facilitation Payments

RDIS and its employees will not make facilitation payments. RDIS accepts that refusal to make illicit payments may lead to commercial delays, for example, in the processing of government papers, and that there may be a commercial cost to RDIS attributable to this policy. If RDIS employees encounter a demand for a facilitation payment, or think they are likely to do so, they should report the situation to their Head of Department without delay. Head of Departments will then ensure that the Managing Executive Secretary is informed at the earliest possible opportunity.

RDIS recognises that demands for facilitation payments are often backed by a form of extortion and that in exceptional circumstances resistance may not be feasible.

c. Hospitality and expenses

RDIS employees may not offer to, or accept from, third parties, gifts, hospitality, rewards, benefits or other incentives that could affect either party's impartiality, influence a business

decision or lead to the improper performance of an official duty. Similarly, they may not offer or accept cash donations.

RDIS employees may offer and accept 'reasonable' and 'proportionate' gifts and entertainment, such as dinner, theatre parties or sporting events. In determining what is 'reasonable' and 'proportionate', employees should consider the value of the gift or benefit (see below), as well as the frequency with which the same or similar gift or benefit is offered. In all cases they must ensure that the gift or benefit:

- is being given as an expression of goodwill and not in expectation of a return favour (a gift designed to secure a return favour could be seen as a bribe).
- is commensurate with generally accepted standards for hospitality taking into account the norms for the industry/professional sector in which it is offered.
- is being provided openly and transparently, and is of a nature that will not cause the company embarrassment if publicly reported.
- complies with local laws and regulations, including the recipient's own rules (bearing in mind that government rules on offering and receiving gifts or benefit are often particularly tight).

d. Charitable donations

As part of its corporate citizenship activities, RDIS may support local charities or provide sponsorship, for example, to sporting or cultural events. Any such sponsorship must be transparent and properly documented. RDIS will only provide donations to organisations that serve a legitimate public purpose, and which are themselves subject to high standards of transparency and accountability. Appropriate due diligence must be conducted on the proposed recipient charity and a full understanding obtained as to its bona fides.

e. Political activities

RDIS has a policy of strict political neutrality; it does not make donations in cash or in kind to any political parties, organisations, or individuals engaged in politics. RDIS will co-operate with governments and other official bodies in the development of policy and legislation that may affect its legitimate business interests, or where it has specialist expertise. Employees are entitled to their own political views and activities, but they may not use company premises or equipment to promote those views or associate their views with those of RDIS.

In order to maintain the highest standards of integrity, employees must ensure that:

- They are fully briefed on the background and reputation for integrity of agents, representatives and subcontractors before hiring them. RDIS will conduct due diligence enquiries to review the integrity records of agents, representatives and subcontractors before entering a commercial relationship with them.
- The engagement process is fully documented; and that final approval of the selection of agents, representatives and subcontractors is made by someone other than the person selecting or managing the company's relationship with them.
- Agents, representatives and subcontractors are fully briefed on the company's Anti-Fraud and Anti-Corruption policy, and have made a formal commitment in writing to abide by it.
- Fees and commissions agreed will be appropriate and justifiable remuneration for legitimate services rendered.

f. Suppliers and contractors

RDIS will ensure that the procurement procedure for appointing suppliers and contractors is open, fair and transparent. The selection of contractors will be based on an evaluation of professional merit, and not on personal recommendations.

RDIS will communicate its Anti-Fraud and Anti-Corruption policy to its suppliers and contractors, and it will expect them to abide by the principles set out in the policy when working on the company's behalf. If those principles are breached, RDIS will reserve the right to terminate the contract.

4. Authority, responsibility and investigation

The management is responsible for the detection and prevention of fraud, corruption, misappropriations, and other irregularities. It has an internal audit committee for further investigation on a suspected fraudulent act. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.

Every level treats all information received confidentially, and any employee or other complainant may remain anonymous. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect RDIS from potential civil liability.

Members of the internal audit committee will have:

- Free and unrestricted access to all Company records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

For the policy authority and responsibility, the following hierarchical route is also applied:

Executive Secretary: If in any doubt about the application of this policy refer to the Board.

Head of Departments: If in any doubt about the application of this policy refer to the Executive Secretary.

Employees: If in any doubt about the application of this policy

- Seek advice from their Head of Department in cases of uncertainty about how to apply this policy.
- Consult their Head of Department if they suspect that a company employee is engaged in bribery, corruption, fraud or any other unacceptable or unethical conduct.
- Consult an Executive Secretary in confidence if they suspect that a company employee is engaged in bribery, corruption, fraud or any other unacceptable or unethical conduct and are unable to speak to their Head of Department.

5. Monitoring

Arrangements for audit of compliance with this policy on an office and function basis will be made at a regular basis, and will include the results of such audits in reports to the Board. This

policy statement will be reviewed for continuing suitability once every four years, or when deemed necessary.

6. Synopsis

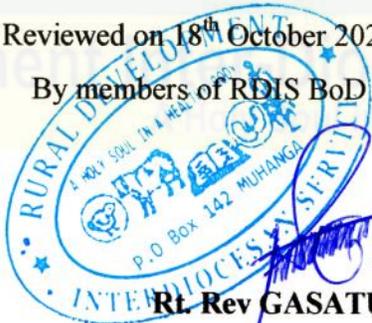
RDIS and its employees are:

- Prohibited from engaging themselves or inciting any other person in any fraudulent act;
- Prohibited from offering, promising or paying a bribe of any kind;
- Prohibited from soliciting, accepting or receiving a bribe of any kind;
- Prohibited from giving or offering anything of value to a public official;
- Required to comply with the company's guidelines and authorisation levels in relation to the giving and receipt of gifts and hospitality;
- Prohibited from making facilitation payments; and
- Required to complete due diligence into all agents, representatives, suppliers, contractors, joint venture partners and all those with whom a business relationship is established in order to enable RDIS to offer its services to its beneficiaries.

Reviewed on 18th October 2020

By members of RDIS BoD

Mr. Viateur NTARINDWA
Secretary of the BoD



Rt. Rev GASATURA KAMUSIIME NATHAN
The Chair and President of BoD