

Anti-Fraud and Bribery Policy

Policy statement

Läkarmissionen (LM), operating globally under the LM International brand, has a “zero tolerance” towards fraud, and bribery. This policy further elaborates some of the areas in the Anti-Corruption Policy.

Purpose and Scope

This policy helps LM to identify and prevent cases of fraud and bribery in its operation by providing, some examples, however this list is not exhaustive.

LM will strive to put preventative and detective measures to minimise its impact and the likelihood of these events occurring, treating all allegations seriously and responding appropriately to provide the highest levels of accountability to its stakeholders.

This policy applies to any actual or suspected activity as defined below, involving LM’s representatives, partners or other associated persons in countries where LM carries out its operational and funding activities.

Definition

Fraud/Swindle: To spread misleading information among the public or special groups to affect the price of a product, shares and bonds or other property. The act of deception is intended for personal gain to obtain an advantage, avoid an obligation or to cause loss to another party even if no such gain or loss is in fact caused. For the purpose of this policy, fraud also covers the dishonest appropriation of property belonging to another, with the intention of permanently depriving them of it.

- a) ***embezzlement:*** improperly using funds, property, resources, or other assets belonging to LM for their own personal advantage instead;
- b) ***collusion:*** improperly colluding with others to circumvent, undermine, or ignore our rules, policies, or guidance (e.g. fixing the amounts of a tender in order to bring it below a certain threshold);
- c) ***abuse of a position of trust:*** improperly using one’s position within LM for personal benefit (e.g. accessing confidential material or passing confidential information) or with the intention of gaining from, unfairly influencing or depriving the organisation of resources, money and/or assets;
- d) ***nepotism or patronage:*** improperly using employment to favour or materially benefit friends, relatives, or other associates, or where someone requests that a LM employee offer employment or some other advantage to a friend or relative (e.g. awarding contracts, jobs, or other material advantages);
- e) ***False accounting:*** deliberately entering false or misleading information into accounts or financial records (e.g. entering false refunds or voids through the till in a retail shop);

- f) false invoicing: knowingly creating or using invoices that are false in any way;
- g) expenses fraud: dishonestly using the expenses system to pay money or other benefits to which the recipient is not entitled;
- h) payroll fraud: dishonestly manipulating a payroll system to make unauthorised payments (e.g. by creating 'ghost' employees or by increasing an individual's salary);
- i) tax or duty evasion: knowingly avoiding the payment of tax or any other duty that a person is aware should be paid;
- j) forgery: dishonestly creating or altering documents to make any information in the document incorrect or misleading often with the effect of depriving the organisation of resources, money and/or assets;
- k) brand fraud: dishonestly using LM 's name, branding or documentation for personal or private gain.
- l) obstructing proper process: threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy.
- m) failing to disclose information: not providing accurate and complete information relevant to your position which will adversely impact your ability to perform your role; for example, failure to disclose a '*conflict of interest*'

Bribery: A person who request and/or receive undue reward for duties commits bribery. A person who gives or offers undue reward is also guilty of bribery. Furthermore promising, soliciting or accepting any financial or other advantage (e.g. money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value), to induce the recipient or any other person to act improperly (illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust.) in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage. The outcome or reward for which the bribe is offered or given never actually has to occur for it to be a bribe; the promise of such an outcome/reward is sufficient.

- a) paying or offering a bribe: give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- b) receiving or requesting a bribe: accept a payment, gift or hospitality from a third party including from government officials, representatives or other politicians that you know or suspect is offered with the expectation that it provides them or anyone else an advantage in return;
- c) receiving improper benefits: give or accept a gift or provide any hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence LM 's decision-making;
- d) receiving a 'kickback': improperly receiving a share of funds or a commission from a supplier as a result of involvement in a bid, tender or procurement exercise.

Principles and Approach

Proportionate Procedures: LM approach to fraud and bribery and the measures in place to prevent fraud and bribery are embedded in our procedures. The procedures cover many different areas of LM operation.

Top Level Commitment: The Board has adopted LM fraud and bribery prevention policy, which was developed by LM 's management team. Board members and staff receive training on this topic.

Risk Assessment: Fraud and bribery are considered as part of the standard review of risk. LM has a risk strategy in place, which is reviewed and agreed by the Board each year. One of the key tools for managing risk is the Risk Register. This document is reviewed regularly by the management team and is a living and working document subject to regular change. Risk is also discussed at team and staff meetings. LM 's internal audit work plan has included a risk assurance exercise to test the controls in place under the Register.

Due Diligence: The nature of LM procurement of goods and services makes it unlikely that there is much exposure to fraud. LM 's services are not outsourced, and our internal procedures are the defence against fraud and bribery. Service providers will have a clause within their contract confirming the Board's policy on fraud and bribery. The procurement of goods is subject to the delegation of authority and to the controls in the Administrative Handbook.

Communication (including training): Staff and Board members receive training on the principles, LM has zero intolerance to any fraud or bribery, and their own personal responsibilities.

Monitoring and Review: LM will remain constantly alert to opportunities for improving its procedures to minimise the risk of fraud and bribery. Regular reviews of existing procedures will take place, and the responsibility for ensuring that policies are updated in line with good practice will be given to a member of the management.

Prevention: LM has a number of control mechanisms in place, which are updated as and when applied regulation changes and which assist in preventing and detecting fraud and bribery. A summary of these controls is shown below.

1. Financial management control
2. Financial reporting
3. Internal Control and Compliance function
4. Whistleblowing Policy
5. Contracts for service providers
6. Contracts of employment
7. Fraud and Bribery Risk Assessment includes:
 - a review of areas within LM that are vulnerable to fraud and bribery;
 - identifying the controls in place; and
 - considering the residual risk relating to the area, and the findings of the assessment are reported to the respective management team at the global office, regional office and country office together with the global management team.
8. Expenses procedures for both staff and Board members

9. Policy on accepting gifts and hospitality and maintaining a gifts and hospitality Register for both staff and Board
10. Code of Conduct for both staff and Board members
11. Training for both staff and Board members
12. Escalation Plan in the Human Resource Policy if suspected fraud or bribery is identified

Responsibility

Board Members will receive reports on this matter and any investigation that has been carried out.

The respective management group at the global office, regional office and country office together with the global management team will ensure implementation and monitoring of this policy and provide relevant training as and when required.

All representatives, partners and associated persons or entity of LM has a duty to report any act of fraud and bribery.

Further reading

Anti-corruption policy, Anti-Terrorism policy, Conflict of Interest policy, Code of Conduct, Complaints policy Whistleblowing Policy, Policy for purchasing and procurement, Regulations for the Board, the Advisory Board and the Management, Child Safeguarding policy, PSEAH policy, Gender Equality policy, Accountability Framework, Administrative Handbook.