



Anti-fraud Policy of the Inter-American Institute for Cooperation on Agriculture - IICA



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IICA's Anti-fraud Policy

1. INTRODUCTION

The present document establishes the anti-fraud policy of the Inter-American Institute for Cooperation on Agriculture - IICA (hereinafter "the Institute"). The policy was drawn up bearing in mind the framework within which the organization carries out its activities and as part of a strategy of continuous improvement and resource management based on strict principles of austerity, equity, discipline, and transparency, and the implementation of policies aimed at the exercise of good corporate governance and ethical principles. The policy establishes the Institute's guidelines for the prevention, detection, and investigation of fraud, and specifies types of conduct that are unacceptable or inappropriate or forbidden under the Institute's rules and regulations, and the procedure for the adoption of corrective measures.

Any fraudulent act in IICA's operations depletes funds and other resources intended for supporting its mission. Thus, as in other organizations, fraud can undermine its functioning and divert available resources. Moreover, fraudulent acts and other corrupt behavior can seriously damage IICA's reputation and diminish donors' trust. The continuous improvement of processes adds value to the work carried out and ensures that the institution has solid and secure underpinnings, thereby increasing the member countries and partners' confidence in IICA.

All IICA personnel are the stewards of the resources entrusted to the Institute. Hence, they are accountable for the proper, effective, and efficient use of those resources in achieving the intended outcomes of the Institute's projects in accordance with the Medium-term Plan (MTP).

2. OBJECTIVES OF ANTI-FRAUD POLICY

To establish mechanisms designed to prevent, identify and deal in an adequate, timely, and effective manner with acts or possible acts of fraud within IICA, and to permit action to be taken to correct the situation immediately.

To strengthen IICA's ethical culture as an essential element for the establishment and implementation of mechanisms to prevent, identify and deal with acts of fraud that may occur within the Institute.

To ensure that the Member States, donors, counterparts, and partners have an administration in which they can trust, and to prevent the Institute's reputation from being tarnished, by enforcing the directives and rules that prohibit the commission of fraudulent acts within IICA.

To ensure that:

- Financial information is accurate and reliable
- Policies, procedures, plans, rules, regulations and laws are enforced

- Assets are protected against loss and theft
- Resources are used efficiently
- Goals and targets are achieved

3. SCOPE

IICA is committed to preventing, detecting, investigating, correcting and, where applicable, punishing all acts of fraud committed against the organization, whether they are committed by members of its own staff, employees of other institutions or third parties. IICA has a policy of zero tolerance for acts of fraud, meaning that all incidents of fraud are to be reported and will be investigated as appropriate. Furthermore, it endeavors to raise awareness of fraud risks, implement controls aimed at preventing them, and establish and maintain procedures for the detection of fraud and the enforcement of this policy.

This policy applies, without exception, to all activities and operations of IICA, including any irregularity, or suspicion of irregularity, involving staff members, as well as suppliers, consultants, contractors, and/or any other party that has a working or contractual relationship with IICA.

4. POLICY

The Administration of IICA is responsible for the prevention and detection of fraud, misappropriation and other irregularities. Fraud is defined as a willful misrepresentation of the truth and a dishonest act that damages the entity or individual against whom it is committed, circumventing a legal provision to the detriment of the Institute or third parties. All IICA staff members should be familiar with the types of irregularities that may occur within their area of responsibility and be attentive to any sign of failure to comply with the regulations.

Any irregularity that is detected or suspicion that is aroused should be reported immediately to the Division of Human Talent Management, which will coordinate all investigations with the Internal Audit Unit and any other areas deemed necessary, and report its findings to the Secretariat of Corporate Services, which will inform the Director General of the situation and take the corresponding action.

Any irregularities detected by the Internal Audit Unit shall be reported immediately and directly to the Director General, who will decide whether to request the intervention of the Secretariat of Corporate Services for the pertinent action to be taken.

5. DEFINITION OF FRAUD

Terms such as embezzlement and misappropriation, as well as other irregularities, refer, but are not limited, to:

- Any dishonest or fraudulent act
- Misappropriation of funds, other assets or supplies

- Dishonest handling or reporting of monies or financial transactions
- Speculation based on knowledge of privileged information concerning the institution's activities
- Passing on of exclusive, confidential data to external parties
- Acceptance or seeking of material inducements from contractors, suppliers or individuals who provide services and materials to the Institute
- Destruction, elimination, or inappropriate use of records, furnishings, accessories, and equipment; and/or
- Any related or similar irregularity

5.1. Other irregularities that do not constitute fraud

Situations involving irregularities relating to the moral or ethical conduct or behavior of a staff member are to be resolved by the Division of Human Talent Management.

The Secretariat of Corporate Services will provide guidance as to whether a particular action constitutes fraud.

6. REPORTING FRAUD

IICA has established that the Division of Human Talent Management is the unit to which frauds should be reported. Any employee who discovers or suspects the existence of fraudulent activities should inform the Division of Human Talent Management immediately. All doubts related to the activity under investigation, the individual under suspicion or any other "whistleblower" (person making a complaint) should be addressed to the Division of Human Talent Management. Information about the progress of the investigation shall remain confidential.

Whistleblowers shall not contact the person(s) under suspicion to try to determine the facts or seek restitution, or discuss the facts of the case, suspicions, or allegations with anyone unless the Division of Human Talent Management specifically asks them to do so.

7. INVESTIGATION OF ALLEGATIONS OF FRAUD

Institute staff members have an obligation to report all information pointing to the commission of fraud involving IICA personnel or affecting the funds and assets administered by the institution. In the first instance, such reports should be made to the Division of Human Talent Management, which will coordinate the pertinent action with the Internal Audit Unit when applicable, informing the Secretariat of Corporate Services for the respective action to be taken and keeping the Director General abreast of developments for any decision that may need to be taken.

7.1. Information to be provided in the report

- Whistleblowers should go through the correct channels and the report should be objective and respectful.

- To ensure that investigations are successful, reports should be as specific as possible. Therefore, when providing information or relating the facts, whistleblowers should contribute all the information they know.
- Anonymous reports will not be considered, unless there is sufficient evidence to suggest that the act occurred and can be verified.
- Irregularities, or suspected irregularities, will be investigated with due diligence, in order to avoid false accusations or avoid alerting the perpetrators of a fraudulent act so they have time to conceal evidence.

7.2. Confidentiality

All investigations are undertaken on a confidential basis. Investigation participants are reminded of the need for confidentiality throughout the course of the investigation. Specific details of investigations are shared strictly on a 'need to know' basis. This is important to avoid tarnishing the reputations of suspects who are subsequently found to be innocent. Requests for confidentiality by whistleblowers will be honored to the extent possible within the legitimate needs of the investigation. The findings of investigations will only be disseminated among, or discussed with, individuals who have a legitimate need to be apprised of them.

7.3. Anonymous denunciations

Individuals wishing to protect their identity may report fraud anonymously. However, it can be more difficult to assess and investigate anonymous allegations. Therefore, individuals wishing to make a report are encouraged to provide their contact details. The Institute will treat information received sensitively, and will limit disclosure of identifying information of the reporting individual to the maximum degree possible.

7.4. Protection against retaliation for reporting

IICA will afford protection against retaliation for staff members who report fraud or other corrupt practices, or who cooperate with a duly authorized audit or investigation.

8. AUTHORIZATION TO INVESTIGATE ALLEGATIONS OF FRAUD

All allegations of fraud will be reviewed. If a matter warrants investigation, the case will be assigned to an investigator who will conduct an objective investigation of all available facts. This will include the collection and review of all the relevant documents, interviews of people who can provide information, and an interview with those alleged to be involved in fraud.

The Division of Human Talent Management will have the authority to examine, copy and/or remove all or part of the contents of files, desks, filing cabinets and other equipment used for storage purposes on the premises without prior notice or the consent of any individual who may be using, or is responsible for, such articles or equipment when they fall within the scope of the investigation, in coordination with the competent authorities at Headquarters or in the Offices in the countries.

If the investigation confirms that fraudulent activities have taken place, the Division of Human Talent Management shall forward a report to the Secretary of Corporate Services in order for the respective course of action to be taken, and inform the Director General of its findings.

8.1. INTERNAL AUDIT UNIT

The Internal Audit Unit shall support the Division of Human Talent Management in its investigation of complaints and shall also:

- Draw up an auditing plan that includes monitoring the controls identified for mitigating the risk of fraud, and verifying their sufficiency and effectiveness.
- Communicate any shortcomings identified in their audits related to possible frauds.

9. COMMUNICATION AND TRAINING

In order to strengthen the prevention of the risk of fraud within the Institute, efforts shall be made to ensure that all members of staff receive information about this Policy and the Code of Ethics, and that the induction of new employees includes information about ethics-related issues and compliance with the Institute's rules and regulations, especially the sections on the subject contained in the Staff Rules, the Financial Rules and the Purchasing Manual.

10. SANCTIONS

If an IICA staff member and/or third party is/are found to have committed fraud, separately or in collusion, the Institute reserves the right to impose the corresponding sanctions.

11. RESPONSIBILITY FOR THE POLICY

The Secretariat of Corporate Services is responsible for the administration, review, interpretation, and application of this policy and shall coordinate the actions required, keeping the Director General informed, so that, pursuant to the authority vested in him, he may decide the course of action to be followed or the sanctions to be applied. The policy will be reviewed annually and adjusted as necessary.