Fraud Prevention Policy
Introduction

1. WHO follows a results based managerial framework that calls for delegated responsibility, authority and accountability at all levels of the organization. This means that decisions on the use of financial and other resources are taken by managers at all levels in all locations. Integrity is a key element of any accountability framework. Integrity is supported by a sound internal control framework. A policy that covers both fraud prevention and the contingency measures that may be taken to prevent fraud is an integral part of this internal control framework.

2. The assets of WHO are its staff, reputation and the funds provided by Member States and other donors. Every staff member is responsible for following policies relating to staff conduct and ethics as well as the regulations and rules of the Organization. Failure to do so can reflect badly on the Organization which may prejudice its reputation. This may result in a loss of member state confidence, a loss of respect for the integrity of WHO technical work, and the perception that WHO is not somewhere to work. Any, or all, of these consequences may result from fraudulent activity. In order to preserve the reputation of WHO, this fraud prevention policy has been developed and applies to all staff, irrespective of their level, function or location.

Scope of Policy

3. Fraud is defined as "misappropriation, irregularities and illegal acts characterized by deceit, concealment or violation of trust", as further described in paragraph 16.

4. This policy applies to any fraud, (actual, suspected or attempted) involving staff members as well as consultants, contractors, outside agencies doing business with WHO, and/or other parties with a business relationship with WHO.

5. Any investigative activity required will be conducted without regard to the suspected wrongdoer’s position/title, length of service or relationship to WHO. All allegations or suspected wrong doings will be investigated in accordance with the policy set out below.

Policy

6. The Director-General has overall responsibility for the detection and prevention of fraud, misappropriations or other inappropriate conduct. Managers who have delegated authority for financial and human resources are accountable to the Director-General for the proper use of these resources, as well as compliance with all relevant regulations, rules, policies and procedures.

7. Whilst the Director-General has overall responsibility for fraud prevention, and the actions taken when fraud occurs, he is assisted in this by the Comptroller, Director Human Resources Services, Legal Counsel and Director Internal Oversight Services who have a collective role to implement the fraud prevention policy. This group functions as a high level committee that develops the fraud prevention policy and acts as a focal point for its implementation and review.
8. Management at all levels of the Organization is responsible for knowing the exposure to fraud in the area under their responsibility and the prevention of fraud, misappropriations, similar irregular acts and other inappropriate conduct. Internal Oversight Services exists to assist management in prevention, detection and investigation of fraud. Management designs policies to support effective programme implementation within the framework of an appropriate internal control environment. Many aspects of this framework exist to protect the Organization from fraud and to ensure that those responsible and accountable may be brought to account.

9. Any fraud (confirmed, attempted or suspected), loss of cash, or loss of property either belonging to the Organization or for which it has custody, when first identified, will be reported, investigated and handled for disposition in accordance with the appropriate Manual provisions.

10. The policy is framed within certain parameters; risk assessment, preventive measures and contingency measures.

11. **Risk assessment** is a necessary pre-requisite to the prevention of fraud in order to ensure appropriate policies and procedures are implemented. Risks are considered in three main categories:

- personnel risk
- structural/physical risks
- operational/financial risks

Differing risk environments in which WHO operates must be taken into consideration. In some environments the level of risk may be higher and thus require more rigorous mitigation measures (see below) than in other environments.

12. In identifying and assessing risk areas, particular attention must be placed on personnel risk. Research indicates that most frauds are committed by people within an organization and that the biggest frauds are committed by the most trusted employees. Fraud can also be committed by an individual or a group outside an organization, with the assistance of employees. In other words collusion is often present. Compliance with recruitment procedures and codes of ethics and conduct are therefore important aspects of this fraud prevention policy.

13. Following risk assessment, measures are put in place to mitigate the risks identified, with particular emphasis on the areas of greatest vulnerability.

14. **Preventive measures** that address particular risks as well as the internal control measures that concern segregation of duties and other related matters that form a key element of risk mitigation are necessary. Certain policies and procedures in the areas of human resource management, financial management, contracting and procurement are specifically designed to reduce the risk of fraud. Therefore, whilst these may be perceived as duplication, unnecessary bureaucracy or even an indication that staff are not trusted, these policies and procedures are necessary to mitigate the risk of fraud and protect staff from the risk of suspicion that they may have colluded in the perpetration of a fraud or suspected fraud.
15. **Contingency measures** are necessary to ensure correct actions are taken should the Organization experience a fraud. Procedures regarding evidence, dealing with the suspected fraudster, reporting the incident to the relevant authorities, dealing with the media and recovering of funds and property are set out in the relevant provisions of the Manual Part IV, Section 1, paragraphs 310-345.

**Actions Constituting Fraud**

16. Fraud involves deliberate and deceptive acts with the intention of obtaining an unauthorized benefit, such as money, property or services, by deception or other unethical means. Fraudulent and other irregular acts included under this policy may involve, but are not limited to any of the following:

- embezzlement, misappropriation or other financial irregularities
- forgery or alteration of any document or account (cheques, bank draft, payment instructions, time sheets, contractor agreements, purchase orders, electronic files) or any other financial document,
- impropriety in the handling or reporting of money or financial transactions
- theft or misappropriation of funds, securities, supplies, inventory, or any other assets such as furniture, fixtures or equipment
- use of the Organization's assets (including office supplies, letterhead etc) for personal gain
- seeking or accepting anything of material value for personal gain from contractors, vendors or persons providing service/goods to WHO
- non payment by staff of any monies due to the organization (indebtedness) such as reimbursement of personal telephone calls, overpayment of DSA, salary advances, etc.
- contravention of any Regulations or Rules, policies and procedures with intent to gain personal advantage or to procure that a third party (such as a friend, family member or contractor) gains personal advantage
- inappropriate use of delegated authority that results in fraud, misappropriation or obtaining benefit by deception or other unethical measure;
- misrepresentation, forgery, or false certification in connection with any official claim or benefit, including failure to disclose a fact material to that claim or benefit;
- intentional mishandling of contract obligations and relations with third parties leading to loss of property or assets, or generating liabilities for the Organization;
- breach of fiduciary obligations vis-à-vis the Organization;
- extraction of funds from a colleague or a third party either for personal gain or in return for a favour or benefit;
- encouraging, concealing, conspiring or colluding in any of the above actions;
- any similar or related inappropriate conduct.

17. Suspected improprieties concerning a staff member’s moral, ethical, or behavioural conduct are not covered by this policy but they should nevertheless be referred to Director, Human Resources Services for guidance on how to proceed,
18. If there is any question as to whether an action constitutes fraud, Director, Office of Internal Oversight Services (Director, IOS) or the Comptroller are to be consulted so that they may provide appropriate advice.

**Personal Conduct**

19. WHO and its staff members must, at all times, comply with all applicable regulations and rules. All business conducted should be well above the minimum standards required by regulations and rules.

20. To ensure that all staff members are fully aware of WHO’s expectations regarding standards of personal conduct, the following are relevant:
   - WHO Staff Regulations and Rules
   - WHO Financial Regulations and Rules
   - ICSC Standards of Conduct for the International Civil Service

21. Staff members have a duty to inform their supervisors of any suspicions of wrongdoing, unless they are concerned that the supervisor may be implicated. In such a case, or at other times when normal communication channels are not available, they must report their suspicions directly to Director, IOS, who shall treat them in strict confidentiality (see paragraphs 28-29).

**Investigation**

22. Director, IOS, in consultation with the Comptroller, will decide upon and authorize the investigative action to be taken. (Manual Part IV Section 1 paragraph 315)

23. The Office of Internal Oversight Services or their designated nominee shall have full, free and prompt access to all records, property, personnel, operations and functions within the Organization which, in IOS’ opinion, are relevant to the subject matter under review.

24. Staff members have the duty to cooperate with any investigation and assist investigators. No reprisals shall be taken against staff members providing information on irregular activity unless it was willfully provided with the knowledge that it was false or with intent to misinform.

25. Internal Oversight Services, or their designated nominee has a responsibility to take great care in the investigation of suspected fraudulent activities and will fully respect staff rights.

26. Internal Oversight Services will report the results of each investigation to the Director-General and also to the Regional Director for cases which occur under their responsibility.

**Disciplinary and Other Actions**

27. Disciplinary proceedings will be taken in respect of any staff member against whom in the opinion of the Director-General, there is sufficient evidence of fraud,
misappropriation or other suspected acts of misconduct including fraud to justify such proceedings.

28. The Director-General may decide to take criminal action, before national courts, against third parties, current and former staff members suspected of fraud or other irregular acts. The Director-General may also decide to make use of all means available to it in order to recover misappropriated funds, including by making deductions from salaries, wages and other emoluments pursuant to Staff Rule 380.5, and by taking civil action before national courts.

Confidentiality

29. Staff members are vital to the successful implementation of any fraud prevention policy. Staff members are encouraged to report any concern they have, without fear of being penalized. All concerns reported will be treated in confidence and fully investigated. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.