



# Anti-Fraud and Whistleblowing Policy

## Health Education and Development Society (HEADS)



### Abstract

*HEADS' Anti-Fraud & Whistleblowing Policy affirms its commitment to integrity, transparency, and zero tolerance for fraud. It outlines measures for prevention, detection, and response to misconduct, with secure channels for whistleblowers and impartial investigations. The policy applies to all staff and partners, supported by training, screening, and regular reviews to ensure ethical practices and good governance.*

*This policy has been revised in January 2025 for a period of one years and will be revised in January 2026. However, changes or amendments will be incorporated earlier if required due to any revisions in relevant government policies, global standards, or donor requirements*

[www.heads-ngo.org](http://www.heads-ngo.org)



**Background:**

Health, Education and Development Society (HEADS), is a non-profit, non-political and non-governmental organization registered in Pakistan under the Societies Act 1860. Since its establishment in 2013, HEADS has been actively engaged in the developmental and humanitarian sectors. The organization is led by a dedicated Board of Governors (BoG), consisting of professionals with diverse educational backgrounds and capabilities. HEADS operate under a comprehensive set of policies designed to ensure transparency, accountability and efficiency in its systems and operations. HEADS Currently registered in the Islamic Republic of Afghanistan, and established an office in the capital city, Kabul.

Throughout its history, HEADS has worked closely with communities and various stakeholders, addressing a wide range of issues, including but not limited to Education, Health, Protection, Livelihoods, Community Infrastructure (CPIs), Shelter and Settlement, Community Development, Institutional Capacity Building, Research, Gender Equality, Legal Counselling, Referral Mechanisms, Social Accountability, Right to Information, and Governance.

In addition to these programmatic areas, HEADS place a strong emphasis on cross-cutting themes, including social mobilization, gender mainstreaming, inclusion, and resilience in all its core programs. These themes reflect the organization's commitment to addressing the holistic needs of communities and promoting sustainable development.

**Vision:** Every Individual regardless of background or circumstances enjoy equal opportunities and rights with dignity.

**Mission:** Empowering Communities through strategic investment in human capital and institutional capacity development, raising sustainable development at the grassroot level.

**Objectives:**

- Support and develop replicable models and strategies for sustainable human resource development through skills development initiatives.
- Network and collaborate with the Govt. Departments, NGO's, CBO's, WOs and international agencies/donors for sustainable development.
- Support initiatives for sustainable community-based gender sensitive development with particular focus on; Human and institutional Development, Natural Resource Management, Drinking Water Supply, Environmental Sanitation, Education, Agriculture, Health & Nutrition, Disaster Management and Micro Credit & Enterprise.
- Create economic and recreational opportunities for youth through skill enhancement programs for peace promotion.
- Enable equitable access to quality education and healthcare, raising holistic community development and well-being.
- Promoting Social Inclusion and Empowerment;
- Strengthen Resilience to Climate Change and Environmental Degradation.
- Advocacy for Peace, Human Rights, and Social Justice.
- Building Disaster Resilience and Preparedness

## Introduction

This HEADS Anti-Fraud & Whistleblowing Policy ensures full compliance by strengthening vetting, training, conflict of interest disclosures, whistleblower protections, and contractual safeguards. HEADS is committed to maintaining integrity, transparency, and accountability in all its operations by establishing a framework for preventing, detecting, and responding to fraud, corruption, and financial misconduct, while also ensuring whistleblower protection and a culture of zero tolerance for fraud.

## Objectives of the Policy

HEADS aims to Prevent fraudulent activities through strong vetting and compliance mechanisms. Ensure transparency & accountability in financial transactions and operational activities. Encourage reporting of fraudulent activities while protecting whistleblowers. Enforce disciplinary actions & legal consequences for individuals found guilty of fraud and Regularly review and update fraud prevention measures based on best practices and lessons learned.

## Scope

This policy applies to all HEADS employees, board members, consultants, volunteers, interns, suppliers, sub-contractors, sub-grantees, and implementing partners who are directly or indirectly engaged with HEADS operations.

## Definitions

To ensure clarity, the following key terms are defined:

- **Fraud:** Any intentional act of deception for personal gain, including financial misrepresentation, bribery, embezzlement, forgery, and corruption.
- **Fiscal Improprieties:** Any misuse of funds, unauthorized financial transactions, or false reporting of expenditures.
- **Conflict of Interest:** Any situation where personal interests interfere with professional obligations, including nepotism, insider dealings, and biased decision-making.
- **Whistleblower:** Any person reporting suspected fraud or unethical behavior, with the right to confidentiality and protection from retaliation.

## Prevention

HEADS has implemented preventive measures to reduce fraud risks, including:

- Zero-tolerance policy for fraud across all operations.
- Strong internal controls in financial transactions and procurement.
- Mandatory disclosure of conflict of interest by employees and partners.
- Regular risk assessments to identify potential fraud vulnerabilities.
- Adherence to UNCAC, OECD guidelines, and other anti-corruption policies.

## Vetting & Screening

To ensure the integrity of its workforce and partners, HEADS follows strict vetting procedures:

- Background checks for all employees, contractors, and grantees.
- Due diligence on suppliers and partners to assess financial and ethical integrity.
- Periodic re-evaluation of conflict of interest disclosures.

## Mandatory Fraud Training

HEADS requires all staff to undergo fraud prevention training to enhance awareness and compliance:

- Annual anti-fraud training sessions for all employees.
- Workshops for field teams on detecting and reporting fraud.
- Integration of fraud awareness into onboarding programs.

## Reporting Mechanism

### Responsibilities of Employees

**Managers:** Managers must stay vigilant against fraud, maintain preventive controls, and promptly address any suspicious activity. They must ensure all staff receive and acknowledge this policy and foster a culture of reporting fraud.

**All Staff:** Employees are responsible for preventing and identifying fraud. They should remain alert to unusual transactions or behaviors and report suspicions as per the reporting procedure.

### Management Responsibilities

HEADS leadership plays a pivotal role in ensuring compliance and enforcement of this policy:

**Executive Directors** – Oversee investigations, policy implementation, and disciplinary actions.

**Finance & Compliance Teams** – Monitor fraud risks and report suspicious activities.

**HR & Legal Departments** – Ensure protection of whistleblowers and fair inquiry processes.

### Reporting Suspected Fraud

- **Staff:** Report to their Line Manager or HR Manager.
- **Managers:** Report to the Executive Director.
- **Executive Director:** Report to the Board Member or Chairperson.

If the usual reporting channels are inappropriate, reports can be made confidentially via:

- **Email:** [fraudmailbox.heads@gmail.com](mailto:fraudmailbox.heads@gmail.com)
- **Phone:** +92-091-5701799



- **Mail:** Marked “Private & Confidential” to the Executive Director, House # 1945, Afzal Abad Street, University Town, Peshawar.

Employees should not:

- Contact the suspected individual(s) directly.
- Discuss the matter internally except with designated personnel.
- Disclose information outside HEADS unless legally required.

### **Investigation Process**

- **Initial Assessment** – HR or Compliance Team evaluates the credibility of the complaint.
- **Investigation Team Formation** – Independent auditors and legal advisors oversee the inquiry.
- **Evidence Collection** – Gathering financial records, witness statements, and digital data.
- **Formal Inquiry & Interviews** – Conducting hearings to establish facts.
- **Case Resolution & Disciplinary Actions** – Recommendations for penalties, legal action, or process improvements.
- **Closure & Documentation** – Secure storage of reports and findings with restricted access.

### **Investigation Team**

- Investigations will be led by independent HEADS staff or external third parties with expertise in financial auditing.
- Investigations will be unbiased and independent, regardless of the suspect’s position.
- The Executive Director & HR Manager will remain uninvolved in investigations to ensure impartiality.

### **Safeguards for Whistleblowers**

HEADS provides multiple secure channels for reporting fraud while ensuring whistleblower confidentiality:

- Protection from harassment or victimization for those reporting in good faith.
- Confidentiality maintained to safeguard whistleblower identity.
- Anonymous reports considered based on credibility and supporting facts.
- Email, hotline, and in-person reporting options.
- Anonymous reporting mechanism to encourage safe disclosures.
- No retaliation policy to protect whistleblowers from adverse consequences.

### **Disciplinary Actions**

- Dismissal and legal action for proven fraud.
- Cases may be referred to law enforcement where appropriate.
- Final disciplinary decisions rest with the Executive Director & Board Members.



## **Systemic Improvements & Loss Recovery**

- Investigation findings should identify system failures and recommend controls.
- HEADS will seek restitution for financial losses from individuals or entities responsible.

## **Cooperative Arrangements & Contractual Obligations**

HEADS integrates fraud prevention clauses in all agreements to strengthen compliance:

- Zero-tolerance fraud clauses in contracts with suppliers, consultants, and partners.
- Mandatory fraud reporting obligations in partnership agreements.
- Compliance audits for all grantees and sub-contractors.

## **Monitoring & Policy Review**

To ensure effectiveness, HEADS regularly reviews and updates its anti-fraud policies:

- Regular audits and fraud risk assessments conducted to evaluate adherence to policy.
- Anonymous employee surveys to gauge awareness and effectiveness of anti-fraud measures.
- Quarterly fraud review meetings with leadership to assess fraud trends and responses.
- Tracking & reporting fraud-related cases in an internal MIS for transparency.
- Annual performance evaluations of fraud prevention initiatives.

## **Effective Date**

- This policy takes effect immediately upon Board approval.

## **Policy Review**

To maintain best practices, this policy will be reviewed annually by the Audit & Risk Committee.

- Annual fraud risk assessments to identify emerging threats.
- External audits every two years for independent evaluation.
- Periodic policy revisions to incorporate best practices and compliance changes.