



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 year 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.

ngo.org

www.heads-



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
- **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.



BOD Meeting Minutes

Date: January 06, 2025

Participated by:

Raza Ullah Jan	Executive Director
Uzma Amin	Chairperson Board
Samina Khanam	Board Member
Nawaz Ali Shah	Board Member
Amabareen Banori	Board Member
Muhammad Jidran	Board Member
Abid Ali	Board Member
Tahira Nasreen	Board Member
Sayed Ali Shah	Director Program
Asif Ali	Director Finance
Ramsha Khan	HR Officer

Agenda Items:

- Change in Leadership position
- Formation of the Annual Report, Annual Budget, and Strategic Plan.
- Completion of the NDRMF Capacity Improvement Action Plan.
- Processing for Charity Commission in Balochistan and Khyber Pakhtunkhwa.
- Revision of HEADS policies.
- Renewal of Society Act Registration for 2025.

Proceedings & Outcomes:

The meeting commenced with the recitation of the Holy Quran, followed by a formal welcome note delivered by the Chairperson, Ms. Uzma Amin, and the Executive Director, Mr. Raza Ullah Jan. The discussions focused on the agenda items and organizational improvements.

- The Board decided to shift Mr. Raza Ullah Jan from the position of Chairperson of the Board of Directors (BOD) to Executive Director of HEADS, following the resignation of Ms. Samina Khanam from the role of Executive Director. Ms. Khanam has now joined the Board as a Board Member. Additionally, Dr. Uzma Amin has been appointed as Chairperson of the Board, effective immediately.
- The Board emphasized the importance of preparing Annual Report/ Annual Budget and Strategic Plan to assess the organization's current standing and plan strategically for the upcoming year.
- As HEADS has been conditionally accredited by the National Disaster Risk Management Fund (NDRMF) for six months, the Board reviewed the shared Capacity Improvement Action Plan. It was decided to prioritize its completion within the stipulated timeframe, recognizing this as a crucial opportunity for the organization.

- The Board agreed to initiate the process for Charity Commission registration in Balochistan. Police verification for the Charity Commission in Khyber Pakhtunkhwa will be expedited to obtain the certification promptly.
- A comprehensive review of organizational policies was conducted. The Board proposed and approved necessary amendments to align with current needs and best practices.
- It was noted that the Society Act Registration expired in December 2024. The Board resolved to apply for its renewal for 2025 without delay.

The meeting concluded with a thorough review of the agenda items, ensuring they aligned with the organization's strategic objectives. The Board expressed optimism about the successful execution of the discussed initiatives. The Chairperson concluded the meeting with a vote of thanks.

Signed on this Monday January 06, 2025 by authorized signatory.



Dr. Uzma Amin
Chairperson Board



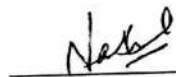
Mr. Raza Ullah Jan
Executive Director



Ms. Samina Khanam
BOG Member



Mr. Muhammad Jidran
BOG Member



Mr. Nawaz Ali Shah
BOG Member



Miss. Ambareen Banori
BOG Member



Mr. Abid Ali
BOG Member



Miss. Tahira Nasreen
BOG Member



Mr. Sayed Ali Shah
Program Director HEADS



Mr. Asif Ali
Director Operations HEADS



Miss. Ramsha Khan
HR Officer



Policy Review & Update Record

A Board meeting was held on January 6, 2025, with the key agenda of reviewing and updating all organizational policies of HEADS. The Board advised the management to undertake a comprehensive policy review to ensure relevance, compliance, and alignment with organizational goals and evolving operational needs.

In line with this directive, all organizational policies were reviewed and amended on January 31, 2025, under the leadership of the Executive Director and with the involvement of the Finance & Audit Committee and relevant departments.

The review process included:

- A thorough evaluation of existing policies.
- Revisions based on internal assessments, audit findings, regulatory requirements, and best practices.
- Incorporation of feedback from staff and stakeholders.
- Updates to enhance clarity, accountability, and operational effectiveness.

Means of Verification:

Revised policy documents, review reports, and documented feedback and approval records.



(H E A D S)

Raza Ullah Jan
Executive Director