Whistle Blowing/Anti-Corruption Policy
WHISTLE BLOWING / ANTI-CORRUPTION POLICY

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<td>Audit and Risk Committee</td>
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<td>Approved by</td>
<td>The EMA Board</td>
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POLICY STATEMENT

EMA is committed to the highest possible standards of openness, transparency and accountability in all its affairs. We wish to promote a culture of honesty and opposition to corruption or fraud in all its forms. The size and nature of our operations puts us at risk of loss due to fraud. The purpose of this policy is to provide:

- A clear definition of what is meant by "fraud"
- A definitive statement to staff forbidding fraudulent activity in all its forms
- A summary to EMA staff of their responsibility for identifying exposures to fraudulent activities, for establishing controls and procedures for preventing such fraudulent activity and/or detecting such fraudulent activity when it occurs.
- Guidance to employees on action which should be taken where they suspect any fraudulent activity.
- Clear guidance as to responsibilities for conducting investigations into fraud related matters.
- Protection to employees in circumstances where they may be at risk of victimisation as a consequence of reporting, or being a witness to, fraudulent activities. This also includes any ‘whistle-blowers’.

This Policy is intended to provide guidance and should be read in conjunction with other relevant policies.

This document will be reviewed periodically in order to determine whether it remains useful, relevant and effective.

Signed

Ambassador Z Nsimbi
Board Chairperson
1. PURPOSE AND SCOPE

1.1. The purpose of this Anti-Fraud & Whistle Blowing Policy (the “Policy”) is to ensure that EMA has appropriate strategies and procedures to prevent, detect and investigate fraud.

1.2. This Policy applies to fraud and corruption that is both internal and external to the Agency.

1.3. This Policy applies to all directors, management, officers, full-time, part-time and casual employees of EMA as well as external persons participating in committees of EMA who undertake work on behalf of or for EMA, all of which are referred to in this Policy as “EMA officers and employees”.

1.4. Representatives and Agents of EMA are to be made aware of the Policy and are bound by it as applicable.

1.5. The Policy is to be read in conjunction with the EMA Code of Conduct where applicable.

1.6. The Policy supersedes measures set out in other EMA Policy Manuals relating to management and/or employee fraud risk.

2. EMA’s Attitude on Corruption/Fraud

2.1. EMA has a zero tolerance stance towards corruption and fraud. Fraudulent or corrupt activity of any kind, including for the ‘benefit of EMA’, is expressly forbidden. EMA Officers and employees are expected to conduct themselves in a manner consistent with the principles and values of EMA as laid out in the EMA Code of Conduct.

2.2. This Policy reflects management’s commitment to identifying and managing the risks of fraud and corruption (including conflict of interest) within EMA and in its dealings with key stakeholders or third parties.

3. Definition of Fraud

3.1. EMA defines fraud as:

“Dishonest activity that causes actual or potential financial loss to any person or entity including, but not limited to theft of monies or other property by EMA officers and employees or persons external to the entity, and where deception is used. This includes the deliberate falsification, concealment or destruction of documentation used or intended for use for a normal business purpose or the improper use of information or position for personal material or financial benefit.”
4. **Definition of corruption**

4.1. EMA defines corruption as:
"An act by EMA Officers or persons external to the Agency which is inconsistence or contrary to the interests of the Agency and involves abuse of office or position of trust in order for one to achieve some personal gain or advantage for him or herself or for another person or entity."

5. **Examples of Fraud and Corruption**

5.1. Examples of fraud and corruption specific to EMA may include, but are not limited to the following:

5.1.1. Obtaining property, a financial advantage, or any other benefit by deception (e.g. falsifying expense claims)

5.1.2. Theft of cash, equipment and inventory

5.1.3. Unauthorised sale or removal of EMAs Intellectual Property (e.g. removal of EMA documents such as client details, strategy documents, etc.)

5.1.4. Causing a loss, or avoiding or creating a liability by deception (e.g. False accounting)

5.1.5. Making, using or possessing forged or falsified documents, bribery, corruption or abuse of office (e.g. payment or receipt of kick-backs)

5.1.6. Causing unauthorised benefits to be given to a third party (e.g. manipulation of a tender process)

5.1.7. Unlawful use of company computers, vehicles, telephones and other property or services to further or in pursuit of any officer's own personal agenda unrelated to the business of the Agency.

5.1.8. Bid or tender rigging

5.1.9. False development cost reporting

5.1.10. Diversion of funds for personal benefit

5.1.11. Falsification of supplier quotes resulting in inflated procurement costs

5.1.12. Negotiating below market value leases in return for personal benefit

5.1.13. Fraudulent payment to fictitious suppliers and service providers

5.1.14. Falsification and misrepresentation of investor returns

5.1.15. Falsification of financial statements

5.1.16. Distribution of commercially sensitive information

6. **GIFTS**

6.1. Gifts and entertainment should never be offered or accepted with the intention to influence or appear to influence business decisions or relationships in any way.

6.2. Unless otherwise expressly permitted by the Director General, no EMA employee shall accept any kind of gift, hospitality or benefits of any kind that might be seen to compromise their integrity or meant to influence the officer or employee’s business decision.

6.3. However, small gifts with no material value (minor gifts which are not readily /normally resalable for material gain such as diaries, calendars, pens, Christmas cards/gifts, conventional gestures of hospitality in the form of modest invitations as highlighted in the Public Procurement guidelines-S1 5/2018 under Part II itemized General Principles of Conduct subsection 11(2) ) may be received or offered in appropriate situations provided there is no appearance of corruption, fraud or conflict of interest.
6.4. Gifts and entertainment, offered or received, will only be acceptable if they are legal as provided for in this policy, reasonable and appropriate and not meant to influence an employee decision as related to any business transaction.

7. RESPONSIBILITIES

7.1. Roles and Accountability for Fraud and Corruption control

7.1.1. The Board has a principal responsibility for fraud control within EMA and is responsible for ensuring the efficient and effective use of resources within the company and related entities.

7.1.2. Responsibility for the day-to-day management and control of fraud risks rest with both management and staff. Management and staff are responsible and accountable for managing fraud risks relevant to their strategic and operational roles and responsibilities.

7.2. Board of Directors

The Board of directors shall have the oversight responsibility on fraud and corruption management through ensuring that all governance responsibilities are discharged without bias. The Board shall set the right tone at the top.

7.3. Director General

7.3.1. Maintain internal controls that detect and minimise fraud and corruption risk.

7.3.2. Assist in determining the appropriate course of action for a particular investigation or incident.

7.3.3. Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected.

7.4. Management

7.4.1. It is the responsibility of managers to be familiar with the types of fraud that might occur in their areas, to be alert for any indication of fraud or improper activity and to maintain controls to avoid such occurrences.

7.4.2. Managers are required to ensure that all staff under their control are given a copy of this policy in a language they can understand, and acknowledge its receipt. Managers should also ensure that staff are encouraged to report suspected issues of fraud or corruption.

7.4.3. Ensuring that adequate systems of internal control exist in their areas of responsibility and that controls operate efficiently in preventing and detecting fraud.

7.4.4. Implementing new controls to reduce the risk of similar fraud occurring where fraud has taken place.
7.5 All Staff

7.5.1 It is the responsibility of all employees to carry out their work in such a way as to prevent fraud occurring in the workplace.

7.5.2 Employees must also be alert for occurrences of fraud, be aware that unusual transactions or behaviours could be indications of fraud, and report potential cases of fraud as outlined below.

7.5.3 Comply with Code of Conduct and this Policy

7.5.4 Adhere to sound internal control practices and procedures and report suspected fraud and/or corruption.

7.6 Audit and Risk

7.6.1 Providing assurance on the effectiveness of internal control systems and providing advice on areas that need improvement.

7.6.2 Help detect the risk of fraud by being mindful of the possibility of such malpractices when carrying out their work and reporting any suspicions.

7.6.3 Ensuring compliance with all aspects of the fraud investigation procedures

7.6.4 Assist the Board and Management in carrying out investigations.

7.7 Stakeholders’ Responsibilities

7.7.1 All Agency stakeholders are expected to exhibit a high standard of integrity in their business dealings. They are to report immediately if they suspect any corruption or fraud that has been committed or they see any suspicious acts or events.

7.7.2 Stakeholders should assist in any related investigation by making available all relevant information and by co-operating with investigators.

7.7.3 Stakeholders shall ensure that appropriate measures are in place within their organization to effectively prevent, deter, detect and communicate potential fraud and corruption.

7.7.4 Suppliers of goods and services shall not engage in corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage. Suppliers shall abide by all applicable anti-corruption laws in Zimbabwe.

8 Communication

8.1 All employees will receive a copy of this Policy upon employment and sign an annual statement of compliance to the Policy, as well as any amendments to the Policy.

8.2 Fraud risk is a standard agenda item of the Compliance report at every Audit and Risk Committee (ARC) meeting.

8.3 A full copy of the Policy will be placed on the EMA website.

8.4 External parties should be made aware of EMA’s fraud and corruption policy. Terms of business with third parties (for example, request for tenders to EMA) shall communicate the key message from the Policy and it is the responsibility of the EMA officer/staff dealing with external parties to ensure they are aware of it.
9 Prevention and Control

9.1 Fraud and Corruption Risk Assessment

9.1.1 The Audit and Risk Manager and Director General are responsible for ensuring that appropriate fraud and corruption risks are assessed and acted upon in a manner deemed appropriate by the Audit and Risk Committee.

9.1.2 Management is responsible for implementing appropriate controls, ensuring they are still appropriate and are performing effectively to mitigate the identified risks.

9.1.3 The Audit and Risk Manager will report to the ARC on the effectiveness of fraud and corruption risk management strategies adopted for the respective departments of the Agency.

9.2 Employment Screening

9.2.1 EMA shall conduct reference checks prior to employment of all permanent and temporary members of staff to gain a reasonable understanding of their employment history prior engagement.

9.2.2 Police background checks shall be conducted in line with the EMA Enterprise-wide Risk Management Policy.

9.3 Supplier and Customer selection

9.3.1 It is the responsibility of the Procurement Unit to ensure the effective screening and selection of suppliers, customers and investors within the Agency to ensure that it only deals with bona fide parties.

10 Detection

10.1 Fraud and Corruption Detection Program

10.2 It is the responsibility of management to ensure adequate controls are in place to detect fraud and corruption by implementing appropriate strategies approved by the EMA Board of Directors.
10.3 Reporting of suspected Fraud and / Corruption incidents

10.3.1 INTERNAL PLATFORM
Any person, EMA officer, representative and employee who has a genuine basis for suspecting a fraudulent or corrupt act has taken place has a responsibility to promptly notify the Agency through suggestion boxes or on one of the following platforms:

EMA Toll Free line
WhatsApp
Email address emaanticorruption@ema.co.zw

NB New lines dedicated to anti-corruption resident in the Audit and Risk section would be put in place at implementation

10.3.2 EXTERNAL.
To enhance independence, confidentiality and credibility of the system in line with best practice and the provisions of the ZimCode (2014) and PECG Act (2018), the Agency would have to outsource the management of the whistleblowing service by a reputable and independent external service provider such as Deloitte Tip-offs Anonymous. A proposal shall be made to the Board for engagement of such a firm upon approval of the policy.

10.3.3 Reporting and Recording of Disclosures

10.3.4 The external service provider would normally allow users or whistle blowers to report issues directly to them using the various platforms such as dedicated Toll Free lines, WhatsApp, Free Post, Email and Website. In addition external service providers also operate a 24 hour Call Centre to ensure continued availability of the service.

10.3.5 Disclosures will be received by the external service provider and prepared for communication to the following authorised individuals, depending on the level of perpetration of the said illegal act. Refer to Table 1 below: Incidents Reporting Levels

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<td>Fraud Management Committee</td>
<td>Audit and Risk Manager &amp; HR Manager</td>
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<td>Escalation Level 1</td>
<td>Director General &amp; Audit and Risk Manager</td>
</tr>
<tr>
<td>Escalation Level 2</td>
<td>Audit and Risk Committee Chairperson &amp; Chairperson of the Board</td>
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<tr>
<td>Escalation Level 3</td>
<td>Permanent Secretary &amp; Minister</td>
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10.3.6 Under normal circumstances, all reports will be sent to the Fraud Management Committee as the primary recipients for investigation purposes. However depending on the gravity of the issue to be investigated, where necessary the Board or Minister may appoint an external fraud/forensic investigator to review the issue.

10.3.7 However, a relevant escalation process has also been defined for certain circumstances as follows:

- Should any member of the Management be implicated, the report is escalated to Escalation Level 1.
- Should any recipient at Escalation Level 1 be implicated, the report is escalated to Escalation Level 2.
- Should any recipient at Escalation Level 2 be implicated, the report is escalated to Escalation Level 3.

10.3.8 The reports will include only objectively presented information that is in direct relation to the scope of any investigation undertaken for the verification of the alleged facts.

10.3.9 All reports provided to the reporting personnel as indicated above will eliminate any element that could identify the employee making a disclosure. This means that the employee will remain totally anonymous if they have chosen to use this option.

10.3.10 However, the identity of an employee will only be provided to EMA if the following condition is met:

10.3.11 The employee has given their verbal or written consent to Deloitte Tip-offs Anonymous, the external service provider, to communicate their identity to EMA.

10.3.12 Upon review of the facts of the alleged fraudulent or corrupt activity, The Director General will in consultation with relevant management determine the appropriate form of any investigation.

10.3.13 Upon conclusion of an appropriate course of action, the DG will inform the notifying EMA officer, representative and employee, if identified, of the outcome of any investigation or decisions made.

10.3.14 When there is clear evidence that fraud or corruption has been committed, the Agency shall report the case(s) to the Zimbabwe Republic Police for criminal investigation, which may be conducted concurrently with EMA internal disciplinary procedures.
10.4 **Reward System**

Though rewarding the whistle blower is not the main cause of blowing the whistle, effective whistle blowing world-wide has been linked to tying the system to a reward to encourage a strong compliance culture.

While arguments for rewarding the whistle blower include enforcing the activity, encouraging others to come out and disclose fraud/corruption. Arguments against the reward system include that financial incentives may tantamount to malicious reporting from opportunistic and uninformed parties passing on baseless rumours which could result in innocent parties being unfairly treated.

The Agency may choose either to operate the system with a reward or not depending on the envisaged benefits of the system. However, owing to resource limitations, on a pilot note, it may be recommended that the system be implemented without reward though the position should be reviewed on a timely basis depending on benefits accrued or its effectiveness.

11 **PROTECTION OF EMPLOYEES REPORTING SUSPECTED FRAUD**

11.1 Individuals are protected under the law, and to gain protection, the whistle-blower must have a reasonable belief in the disclosure and any such disclosure must be made in good faith. The safety of whistle-blowers is a very important consideration for investigators and one that must not be taken lightly. However, the Agency has an obligation to protect staff members who have come forward to report wrong doing outside this Policy.

11.1 Issues reported to line management and the helpline will be investigated with the following safeguards:

11.2 **Harassment or Victimisation**

EMA recognises that the decision to report a suspicion can be a difficult one to make, because of the fear of reprisal from those responsible for the malpractice. EMA in accordance with its Code of Conduct will not tolerate harassment or victimisation and will take all practical steps to protect those who raise an issue in good faith.

11.3 **Confidentiality:**

EMA will endeavour to protect an individual’s identity when he or she raises an issue and does not want their name to be disclosed. It should be understood, however, that an investigation of any malpractice may need to identify the source of the information and the individual would be required to report using an informal or secret code which remains anonymous but know between themselves and the external service provider. Thus protection of the whistle blower is guaranteed by ensuring that his/her identity remains confidential and may only be disclosed by the external service provider to the investigative team for information during the investigations.
11.4 Untrue Allegations
Employees should be aware that if an allegation is made in good faith, but it is not confirmed by an investigation, EMA guarantees that no action will be taken against the suspected. If however, an individual make malicious or vexatious allegations, disciplinary action will be considered against an individual making the allegation.

12 Investigations of Detected Fraud Incidents

12.1 Procedures for the investigation of detected or suspected incidents

12.2 Should the Director General in consultation with either the Fraud Management Committee or Audit and Risk Committee deem that a reported incident warrants further investigation, he/she will determine whether the investigation can be conducted internally or externally depending on the gravity and nature of the reported issue.

12.3 The Audit and Risk Manager, with the assistance of the Director General will administer the execution of internal investigations.

12.4 The Audit and Risk Committee in consultation with the Management or the Board may engage external investigative resources from time to time especially where such are required depending on the nature or gravity of the reported issue.

12.5 All investigations will be conducted with reference to legislative requirements including:
- Labour Act
- EMA Act (Chapter 20:27)
- Criminal Law (Codification and Reform) Act Chapter 9:23

12.6 Internal Reporting and Escalation

12.6.1 The Audit and Risk Manager is responsible for the preparation of the brief of evidence, and will retain investigation documentation securely.

12.6.2 The Audit and Risk Manager shall communicate the results of completed investigations to the Director General and Audit and Risk Committee/EMA Board.

12.6.3 The Audit and Risk Manager will maintain the Fraud and Corruption Register, which will be used as a basis for reporting to EMA management, authorities and other stakeholders as required.

13 External Reporting

13.1 The Audit and Risk will be responsible for the preparation of the brief of evidence, and will liaise with the ARC as to when relevant authorities are contacted and engaged.
13.2 Criminal prosecutions play a vital role to deter future criminal activities and support EMAs zero tolerance strategy. In the event that EMA’s assessment of an allegation indicates possible criminal conduct, the matter will be referred to the Police, together with the available information relating to the investigation. EMA will comply with the advice as it relates to documentation of results of an investigation as provided by the Police or external authority.

13.3 Examples of alleged incidents of fraud, which are to be referred to the local Police, are those involving:

13.4 Significant monetary or property loss
13.5 Organised or conspiratorial criminal activity
13.6 Sustained course of improper conduct or activity over a protracted period of time

14 Recovery of the Proceeds of Fraudulent Conduct

The Agency shall pursue all cases of fraud or corruption to the full extent of the law, where there is evidence of material loss, to institute either civil or criminal processes to recover the loss.

15 Legal Actions

15.1 All EMA officers, employees and suppliers are expected to comply with the requirements of the Policy. Failure to comply with the Policy may result in one or more of the following actions:

15.2 Disciplinary action pursuant to EMA policies and procedures as they relate to EMA officers and employees
15.3 Termination of employment or contractual arrangements as regards service providers
15.4 Civil action or criminal prosecution
15.5 EMA through guidance of this policy expects its stakeholders to respect and uphold prevention of fraud and corruption.

16 Review or Changes to this Policy & Procedures

16.1 The policy shall be reviewed annually to determine the adequacy and completeness of the Policy and implement improvements as necessary.

16.2 Improvements to the Policy may arise due to changes in the business conditions, results of fraud risk assessments, outcomes from investigations into incidents of fraud and corruption, and changes in fraud and corruption control best practice.

16.3 Any changes to this Policy shall be approved by the EMA Board.
The Responsible Officer

The Audit and Risk Manager has overall responsibility for the maintenance and implementation of this policy. The responsible officer maintains a record of concerns and the outcomes (but in a form which does not endanger confidentiality) and will report as necessary to the Director General and Audit and Risk Committee.

Creating Awareness

In order for the Policy to be sustainable, it will be supported by a structured education, communication and awareness programme as part of EMA’s broader fraud risk management strategy.

Effective Date

This Policy will come into effect immediately upon approval by the EMA Board.