



## **ISDP Fraud, Corruption, and Conflict of Interest Policy**

### **Policy Statement**

The purpose of this Anti-Fraud, Corruption, and Conflict of Interest Policy is to ensure that ISDP upholds the highest standards of accountability, integrity, and transparency in all its operations. This policy establishes ISDP's strict zero-tolerance approach to fraud, corruption, and conflicts of interest, recognizing that such practices undermine trust, divert resources from intended beneficiaries, and damage the organisation's reputation. This policy aligns with key global frameworks such as the Principles of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Response Programmes, which emphasize integrity, accountability, and responsible use of resources; the UN Convention against Corruption (2003), which highlights prevention, criminalisation, and international cooperation; and the Core Humanitarian Standard (CHS), which underscores transparency, ethical management of resources, and accountability to affected populations. Through this policy, ISDP commits to actively preventing, detecting, and investigating all instances of fraud, corruption, and conflicts of interest. The organisation will strengthen internal controls, enforce transparent decision-making, and foster a culture of honesty and openness at every level.

### **Scope**

This policy applies to all individuals and entities working for or representing ISDP in any capacity. This includes full-time and part-time employees, board members, interns, temporary staff, volunteers, consultants, contractors, suppliers, and partner organisations. All representatives are expected to adhere strictly to this policy, regardless of their role, location, or duration of engagement with ISDP. The policy covers all ISDP activities, programs, operations, and partnerships, both within Somalia and internationally. It applies to the management of financial and material resources, recruitment and procurement processes, program delivery, and interactions with beneficiaries, communities, donors, governments, and other stakeholders.

No individual or entity is exempt from this policy. Any form of fraud, corruption, or conflict of interest, whether large or small, direct or indirect, committed within the scope of ISDP's work will be treated with equal seriousness and addressed promptly in line with this policy.

### **Definitions and Types of Fraud and Corruption**

- ✚ **Fraud** is obtaining money, property, or information through dishonesty or by intentionally lying.
- ✚ **Corruption** refers to illegal behavior that involves the misuse of power or entrusted authority for private gain.
- ✚ **Embezzlement** is the act of taking money or property entrusted to a person and using it for personal benefit.

- ✦ **Theft** is taking property belonging to someone else without their consent.
- ✦ **Forgery** refers to producing fake documents, altering them, or applying a false signature with the intent to deceive.
- ✦ **Abuse of power** occurs when a person in authority misuses their position for personal gain.
- ✦ **Influence peddling** means using one's influence with those in authority to secure favours or preferential treatment for someone else in exchange for payment or another advantage.
- ✦ **Exploitation** occurs when someone is treated unfairly in order for another person to gain benefit.
- ✦ **Extortion** is using threats, intimidation, or harm to obtain money, property, or services.
- ✦ **Bribery** refers to offering, giving, receiving, or soliciting money, gifts, or favours to influence decisions or secure favourable treatment.
- ✦ **Kickbacks** occur when a person favours a specific supplier in return for a personal reward or payment.
- ✦ **Nepotism and favouritism** involve giving unfair advantage to relatives, friends, or members of one's social or ethnic group in recruitment, procurement, aid delivery, or other situations.
- ✦ **Accepting benefits** refers to receiving substantial gifts, favours, or bribes in exchange for favourable treatment.
- ✦ **Waste** occurs when ISDP's resources are used carelessly, excessively, or extravagantly, resulting in inefficiency or loss.

## Conflict of Interest

A **conflict of interest** arises when the personal, financial, or other interests of an ISDP representative interfere, or appear to interfere, with their ability to make impartial and objective decisions in the best interests of the organization. Conflicts of interest may be **actual, potential, or perceived**, and they undermine transparency and accountability if not properly managed.

### How Conflicts of Interest May Arise

Conflicts of interest may occur in various situations, such as:

- Engaging in business or transactions with relatives, friends, or close associates.
- Hiring or promoting individuals with close personal or family ties to ISDP executives or management staff.
- Using ISDP assets, property, or information for personal benefit.
- Assigning subordinate employees to carry out personal tasks.
- Entering into related-party transactions with sister organizations or affiliates that could compromise ISDP's independence.

### Addressing Conflicts of Interest

To manage conflicts of interest:

1. **Disclosure** – All staff, management, and board members must promptly disclose any situation that could create a conflict of interest.
2. **Recusal** – Individuals involved in a conflict of interest must remove themselves from decision-making processes related to the matter.
3. **Independent Oversight** – Where conflicts arise in procurement or recruitment, decisions will be referred to an independent committee, which may include external representatives, to ensure fairness.
4. **Transparency** – All conflict-of-interest cases must be documented and reviewed to ensure compliance with ISDP's governance standards.

5. **Disciplinary Measures** – Failure to disclose or attempting to conceal a conflict of interest will be treated as a violation of this policy and may result in disciplinary action, including termination or referral to relevant authorities.

### **Roles and Responsibilities**

All ISDP representatives are expected to act with integrity, comply with this policy, declare potential conflicts of interest, and remain alert to risks of fraud or corruption. Managers are responsible for identifying risks in their areas of responsibility, implementing effective internal controls, and ensuring compliance among their teams.

### **Duty to Report, Confidentiality, and Consequences**

All representatives have a duty to report suspected fraud, corruption, or conflicts of interest, regardless of scale or whether proof is available. Reports may be made to a direct manager, senior management, or through the following confidential channels:

- **Email:** [info@isdpsom.org](mailto:info@isdpsom.org)
- **Confidential Hotline:** 311
- **Online Form:** <https://ee.kobotoolbox.org/x/nvnARtAq>

All reports will be treated with strict confidentiality. Any individual found guilty of violating this policy will face disciplinary measures, which may include termination of employment or contracts, recovery of misused resources, and referral to law enforcement or appropriate authorities.

### **Protection Against Retaliation**

ISDP's leadership is committed to protecting individuals who report fraud, corruption, or conflicts of interest in good faith. No person will face retaliation, harassment, or discrimination for raising a concern under this policy. Whistleblowers will be respected, supported, and safeguarded as part of ISDP's commitment to accountability and transparency.