

# **NATIONAL ENVIRONMENT MANAGEMENT COUNCIL (NEMC)**



## **NEMC ANTI-FRAUD AND BRIBERY POLICY AND STRATEGY**

**MAY 2017**

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# **1. INTRODUCTION:**

## **1.1 FOREWARD:**

The National Environment Management Council (hereinafter referred to as the Council) is a national designated Public Corporation entrusted with the responsibilities of managing the environment in Mainland Tanzania. The Council receives Government subvention for executing its planned activities apart from funds generated out of its own sources.

For purposes of ensuring that resources are used for the intended purposes, the minimization of losses through fraud and maintaining a public confidence, a sound system of public accountability and transparency is indispensable. It is important therefore that the council maintains high standards of probity.

To enhance a Good Corporate Governance, the Council clearly declares that it is firmly committed to dealing with fraud and bribery and will deal equally with perpetrators from inside and outside the Council. The Council will uphold these high standards in protecting the public funds and properties entrusted to it for provision of quality services to the citizens. To this end, the Council adopts this Anti-Fraud and Bribery Policy for countering all forms of fraud and bribery.

The public expects the Council to conduct its affairs with utmost integrity, honesty and openness and demand the highest standard of behavior and conduct from those working for it. This Policy therefore outlines fraud and bribery risks to prevent them from occurring and fully pursue anyone with intent to defraud the Council.

In formulating this Policy, full account has been taken of the Government guidance and best practices. This Policy reflects the Council's commitment to zero-tolerance to fraud and bribery and promises to take firm and stern action against perpetrators in accordance with the relevant NEMC and national policies, laws and procedures.

## **1.2 BACKGROUND**

- 1.2.1** The National Environment Management Council (NEMC) anti-fraud and bribery Policy and Strategy is established to facilitate controls that will aid in the detection and prevention of all forms of fraud and bribery within NEMC. NEMC promotes consistent organizational behavior by providing guidelines and assigning responsibility for the controls and deal with such practices.
- 1.2.2** This policy generally provides a guidance on how the council shall deal with fraud, bribery and related matters. However, in implementing this Policy the Council take into Cognizant of the Public Service Act (2002) and its regulations as well as other Council instruments such as the Internal Audit Charter of October 2016, the National Environment Inspection and Investigation Manual, the Council's Staff Rules and Regulations of 2016, the Council's Whistle Blower Policy and Procedures of October 2014 as well as the Council's Financial Regulations of 2015 address albeit in a nutshell the dealing with fraud and bribery issues. This Policy therefore shall be read in conjunction with the fore cited instruments.

## **1.3 POLICY AND STRATEGY STATEMENT**

- 1.3.1** NEMC is firmly against fraud, bribery and any other forms of irregularities and will take stern measures against perpetrators which may include dismissal of employee, prosecution of offenders and termination of contracts of service.
- 1.3.2** NEMC will act robustly and decisively upon proven fraud, bribery by taking strong actions in accordance with the existing and relevant national laws.
- 1.3.3** NEMC will always maximize recoveries of any loss through agreement, repayment, court action, penalties and fines, insurance, employees benefit or any other available means at Council disposal.
- 1.3.4** All cases with sufficient evidence of criminality will be referred to the appropriate law enforcing organs.
- 1.3.5** NEMC will raise awareness through the media in promoting the anti-fraud and bribery initiatives.

## 2. ANT-FRAUD AND BRIBERY POLICY

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <b>2.1 SCOPE OF THE POLICY</b> | <ul style="list-style-type: none"> <li>i. This policy applies to any irregularity, or suspected irregularities, involving employees, agency staff, consultants, suppliers, partners and other externals.<br/>Any investigative activity required will be conducted without regard to the status of a suspected person neither his/her length of service, position/title, nor relationship to the Council.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>2.2 DEFINITIONS</b>         | <ul style="list-style-type: none"> <li>i. For the purpose of this policy “fraud” is summarized as obtaining money, property or services dishonestly by making false or misleading representation, or failing to disclose information or abusing a position of trust.</li> <li>ii. For the purposes of this policy, “bribery” refers to an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage. It involves giving to someone a financial or other advantage to induce that person to perform his functions or activities improperly or to reward that person for having done so.</li> <li>iii. Bribery includes, but not limited to, the following offences:- <ul style="list-style-type: none"> <li>a. Any dishonest and/or fraudulent act</li> <li>b. Offering, promising or giving of a bribe (active bribery);</li> <li>c. Requesting, agreeing to receive or accepting of a bribe (passive bribery);</li> <li>d. Failing to prevent bribery.</li> <li>e. Misappropriation of funds, supplies, or other assets</li> <li>f. Impropriety in the handling or reporting of money or financial transactions</li> <li>g. Personal benefit as a result of inside knowledge of activities</li> <li>h. Disclosing confidential information to outside parties</li> <li>i. Accepting/seeking anything of material value from any person providing services/materials to the Council.</li> <li>j. Not declaring Gifts of any value above Tshs. 50,000/- received by any employee</li> <li>k. Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or</li> <li>l. Any similar or related irregularities</li> </ul> </li> </ul> |
| <b>2.3. POLICY</b>             | <ul style="list-style-type: none"> <li>i. NEMC has zero tolerance to all forms of fraud including, without limitation to bribery, money laundering, and abuse of office.</li> <li>ii. All NEMC staff are responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Each member of the staff must report promptly all types of irregularities that might occur within his or her area of responsibility.</li> <li>iii. Any detected or suspected irregularity must be reported immediately to the Director General who will coordinate investigations on the reported issue</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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| <b>2.4 OTHER IRREGULARITIES</b>                | <ul style="list-style-type: none"> <li>i. Irregularities concerning an employee's moral, ethical, or behavioral conduct shall be resolved by respective disciplinary authority.</li> <li>ii. If there is any question as to whether an action constitutes fraud, the Legal Services Unit shall provide an interpretation.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>2.5 REPORTING SUSPECTED FRAUDULENT ACTS</b> | <ul style="list-style-type: none"> <li>i. All suspected fraudulent acts described in the policy, shall be reported promptly to the Director General.</li> <li>ii. All suspected fraudulent acts may be reported to the Council through the means prescribed in the Whistle Blower Policy or other easy and convenient means as may be prescribed by the Council from time to time</li> <li>iii. Without prejudice to the foregoing paragraph, all suspected deeds of fraud and bribery whether arising from the environmental inspections financial matters, procurement or any other area provided for in the National Inspection and Investigation Manual, the Financial Regulations, the Council's staff Rules and Regulations the whistle Blower Policy and Procedures, shall be reported in accordance with the procedures and manners prescribed by this Policy.</li> <li>iv. Decisions to cause prosecution or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal unit and the management of the Council.</li> </ul>                                                                                                                                                                                                                                         |
| <b>2.6 REPORTING PROCEDURES</b>                | <ul style="list-style-type: none"> <li>i. Great care must be taken prior to reporting suspected fraudulent acts, improprieties or irregularities so as to avoid mistaken accusations.</li> <li>ii. An employee who discovers or suspects fraudulent act will report promptly to his/her respective supervisor.</li> <li>iii. Upon receipt of the report from an employee the supervisor shall report the matter to the Director General.</li> <li>iv. Upon receipt of the report, the Director General shall assess the to determine the nature and extent of the incidence. If the incidence is obvious with criminal element shall immediately reported to the police or the prevention and combating of corruption Bureau for investigation. If the incidence needs further investigation the DG will initiate independent investigation using an inquiry committee as per the NEMC staff regulations and Public Service Act (2002) and its regulations.</li> <li>v. A Stakeholder, outsiders and other persons who receive or provide goods and services or directly or indirectly deals with the Council who discovers or suspect fraudulent act against the Council, shall promptly report to the Director General.</li> <li>vi. The Council will require the reporting individual not to contact the suspected individual or disclose the reported information.</li> </ul> |

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| <b>2.7 CONFIDENTIALITY</b> | <ul style="list-style-type: none"><li>i. The Council treats all information received with utmost Confidentiality.</li></ul>                                                                                                                                                                 |
| <b>2.8TERMINATION</b>      | <ul style="list-style-type: none"><li>i. If an investigation results finds that there is a case to answer, the suspect is immediately suspended from work pending decision of the Court. If convicted by the court, termination decision is taken by NEMC disciplinary authority.</li></ul> |

### 3. THE STRATEGY

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| <b>3.1 FRAMEWORK AND CULTURE</b> | <ul style="list-style-type: none"> <li>i. Good Corporate Governance (GCG) requires the Council to be firmly committed into dealing with fraud and bribery and to deal with both inside and outside perpetrators, through established mechanisms.</li> <li>ii. All fraudulent incidences will be viewed seriously and followed by investigation. Strong actions will be taken in line with the merits of the case and in accordance with the applicable Laws, Rules and Regulations.</li> <li>iii. Other interrelated instruments of the Council will be applied to provide a framework that counters the possibility of fraudulent /bribes acts. The interrelated instruments include, amongst others:               <ul style="list-style-type: none"> <li>a. Government Standing orders;</li> <li>b. Council's Staff Rules and Regulations;</li> <li>c. Accounting and Financial Procedures Manual;</li> <li>d. Financial Regulations</li> <li>e. Whistleblowing Policy;</li> <li>f. Guidelines for determination of Penalties against environmental violations;</li> <li>g. National Environment Investigation manual;</li> </ul> </li> </ul> |
|                                  | <ul style="list-style-type: none"> <li>iv. The employees of all levels are expected to adopt the highest standards of probity, accountability, acting in a transparent and honest manner. Consequently, a staff who commits a fraudulent act or is involved in bribery in the performance of their duties will be subjected to the Council's disciplinary procedures and may be reported to the appropriate law enforcing authority.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                  | <ul style="list-style-type: none"> <li>v. The highest standards are also expected from all organizations that deal with NEMC.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                  | <ul style="list-style-type: none"> <li>vi. NEMC believes that a culture of honesty and openness is a key element in tackling fraud and bribery. In this respect each member and employee of the Council is under a duty to report any reasonable suspicion and is encouraged to raise any concern about fraud and bribery in accordance with the NEMC's Whistleblowing Policy.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                  | <ul style="list-style-type: none"> <li>vii. When fraud and / or bribery has occurred due to lack or breakdown of internal controls the relevant director will be responsible for ensuring appropriate improvements in the systems in order to minimize the risk of recurrence.</li> <li>viii. Internal Audit will conduct investigation on the weakness and produce and report on any control weakness and follow up of action undertaken.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                  | <ul style="list-style-type: none"> <li>ix. NEMC recognizes that incidents of fraud and bribery are costly; both in terms of reputational risk and financial losses. The prevention of fraud</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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|                                           | and bribery is therefore a key objective. Therefore all responsible persons should develop a preventive culture and environment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3.2 ACKNOWLEDGING FRAUD AND BRIBERY RISKS | <ul style="list-style-type: none"> <li>i. Internal Audit will lead on undertaking a Corporate Fraud Risk areas Assessment by identifying and understanding key fraud risks.</li> <li>ii. Management of the Council shall take necessary actions to ensure that risks are mitigated to the desired level</li> <li>iii. All directorates will be required to review their risks on a regular basis within their areas of responsibility and take actions to mitigate them.</li> <li>iv. Risk Management process will utilize the available prediction methodologies/ technology, information gathering and exchange to identify the level of risks.</li> </ul> |
|                                           | <ul style="list-style-type: none"> <li>v. All employees shall sign a declaration that they have read and understood the Code of Conduct when taking the office during induction.</li> <li>vi. All NEMC staff shall sign an Integrity Pledge as a commitment to all integrity matters after every two years.</li> <li>vii. Every employee with a conflicting interest shall be required to register their interest to their superiors, and such employee shall not be involved in the decision making process in respect of matters in which they have interest.</li> </ul>                                                                                   |
|                                           | <ul style="list-style-type: none"> <li>viii. Management will ensure that there is sufficient segregation of duties when allocating tasks.</li> <li>ix. Management will be required to ensure that employees are properly trained to discharge the responsibilities allocated.</li> <li>x. Performance will be monitored and actions taken where appropriate to ensure adherence to proper practices and agreed procedures.</li> </ul>                                                                                                                                                                                                                        |

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| 3.3 INVOLVING<br>INTERNAL AUDIT       | <ul style="list-style-type: none"> <li>i. The Internal Audit Unit will independently audit the existence, appropriateness and effectiveness of internal controls and advise preventive measures</li> <li>ii. Internal Auditors are empowered by law to access all records, documents and correspondences relating to NEMC transactions.</li> <li>iii. Also will review authorization procedures, and provide advice to the management.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 3.4 INVOLVING<br>EMPLOYEES            | <ul style="list-style-type: none"> <li>i. The Council will ensure that employees are governed in their work by the various policies, protocols, codes, rules and procedures regarding their conduct and that they are responsible for their actions.</li> <li>ii. Any acts committed by an employees in their private life, for which they are convicted of a criminal offence, should be brought to the attention of their supervisor with a view to enabling an appropriate assessment of any possible impact to their jobs.</li> <li>iii. Supervisors shall consult the Internal Audit and Human Resources Units in assessing the risks to the Council regarding convicted employees.</li> <li>iv. NEMC will always put on alert to its employees over any possibility that fraud and bribery may exist in the workplace and make them obliged to report any suspicion.</li> </ul> |
| 3.5 INVOLVING<br>EXTERNAL<br>AUDITORS | <ul style="list-style-type: none"> <li>i. External Auditors will be reviewing the existing arrangements for preventing and detecting fraud and irregularities and provide appropriate advice.</li> <li>ii. The Council will continue to use the services of the Controller and Auditor General (CAG) in the course of auditing as an essential safeguard against fraud and bribery (though it is not the obligation of CAG to detect fraud and bribes).</li> <li>iii. The Council will give maximum support and cooperation to external Auditors in their role.</li> </ul>                                                                                                                                                                                                                                                                                                            |
| 3.6 PUBLIC<br>PARTICIPATION           | <ul style="list-style-type: none"> <li>i. Whilst the strategy is primarily aimed at those within or directly associated with the Council, members of the public are required to be honest in their dealing with NEMC and inform the Council if they apprehend fraud, bribery or other wrongdoing that may occur.</li> <li>ii. The Council will conduct awareness raising to sensitize members of the public on their reporting role.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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| 3.7 STAKEHOLDERS INVOLVEMENT                                 | <ul style="list-style-type: none"> <li>i. The Council will request all organizations and individuals dealing with NEMC to take a proactive role in minimizing or preventing chances of occurrences of fraud and bribery in their dealings.</li> <li>ii. In all legal agreements and other contractual arrangements NEMC will set and enclose a standard ant- corruption and bribery statement.</li> </ul>                                                                                                                                                                                                |
| 3.8 TRAINING AND AWARENESS RAISING                           | <ul style="list-style-type: none"> <li>i. The Council will continuously conduct programmed trainings and awareness sessions to officers to be alert and responsible to fraud and bribery issues</li> <li>ii. In induction or orientation courses of all new employees the ant-fraud and bribery issues will be included.</li> <li>iii. Consequences of committing/attemping fraudulent acts or becoming involved with bribery will be clearly outlined as a deterrence strategy.</li> <li>iv. Capacity building to employees and those responsible for making interventions will be enhanced.</li> </ul> |
| 3.9 REPORTING OF POTENTIAL FRAUD, BRIBERY AND IRREGULARITIES | <ul style="list-style-type: none"> <li>i. The Council will take seriously and will promptly report to relevant law enforcing organs all potential reported incidences.</li> <li>ii. Once a report has been made concerning fraud or bribery, the Council will take appropriate steps to secure all the relevant evidence.</li> </ul>                                                                                                                                                                                                                                                                     |
| 3.10 ADMINISTRATION                                          | <ul style="list-style-type: none"> <li>i. The Director responsible for human resources and administration is responsible for the administration, revision, interpretation, and application of this Policy and Strategy.</li> <li>ii. This Policy and Strategy will be reviewed after every three years or as needed.</li> </ul>                                                                                                                                                                                                                                                                          |