

NIGERIAN STORED PRODUCTS RESEARCH INSTITUTE (NSPRI)



ANTI-FRAUD, CORRUPTION AND BRIBERY POLICY

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EXECUTIVE SUMMARY

The Anti-Fraud, Corruption and Bribery Policy outlines the Nigerian Stored Products Research Institute's (NSPRI) approach to the detection, prevention and control of fraud, corruption and bribery, including the investigation procedures that will be followed if there are suspicions of fraudulent or corrupt practices. If fraud or corruption is proven, appropriate disciplinary measures and legal action will be taken.

This Policy sets out NSPRI's procedures to guide the conducts of its activities (technical and non-technical) and to prevent acts likely to compromise its operations. This policy provides guidance on acceptable behaviour to which the management, all staff and related parties of the institute must adhere to. The policy is designed to identify prohibited activities as well as provide guidance in the face of uncertainties.

The assets of Nigerian Stored Products Research Institute are its staff, (including contract staff and individuals working under NSPRI's name and legal status, as well as its consultants, partners and stakeholders (collectively the "Personnel"), its reputation and the resources provided by local and international donors. NSPRI is committed to high ethical standards, transparency and accountability to all internal and external stakeholders including, Personnel, beneficiaries, donors, cooperating partners, contractors or suppliers.

The institute, in accordance with best risk management practice, acknowledges that strong internal prevention mechanisms and controls at all managerial levels and locations in the organisation, including headquarters, zonal offices and outstations, are the best methods for preventing fraud, corruption and bribery. NSPRI is committed to preventing and dealing swiftly and appropriately with unethical practices perpetrated by its Personnel and perpetrated against the standards of the institute by cooperating partners, contractors or suppliers and any collusive practices among such any parties.

Nigerian Stored Products Research Institute recognizes that fraud, corruption and bribery prevention and control is not a separate function and needs to be incorporated into all aspects of the institute's activities. The institute's management, staff, stakeholders/ partners, contractors or suppliers are responsible for fraud and corruption prevention and will be made aware of this policy with strong adherence.

1. INTRODUCTION

The Nigerian Stored Products Research Institute (NSPRI) was established in the year 1948 and it is a parastatal in the Federal Ministry of Agriculture and Food Security. The Institute is under the supervision of the Agricultural Research Council of Nigeria (ARCN) and it is saddled with the responsibility of reducing postharvest losses by ensuring the quality, safety and availability of agricultural produce.

NSPRI is committed to the prevention of fraud, corruption, bribery and any other form of dishonesty and has a zero-tolerance approach to these unethical practices. Given that the fraudulent and corrupt practices have potential to deepen poverty, undermine the rules of law, and establish a culture of impunity, it becomes imperative to develop a policy to prevent fraud, corruption, and bribery in the institute. Fraud, corruption and bribery are damaging and could undermine the attainment of organizational goals and objectives. These unethical practices inhibit the core ideals of fairness, transparency and accountability. Thus, this document establishes the Nigerian Stored Products Research Institute anti-fraud, corruption, and bribery policy which was developed based on the fact that the Institute pledged to be regarded as a formidable institution in postharvest research that is poised towards the delivery of effective technologies in mitigating postharvest losses of all crop categories in Nigeria.

The purpose of this Policy is to:

- i Establish clear standards of conduct and promote ethical behaviours in order to maintain the integrity of the Institute, protect the interests of stakeholders, and uphold the rule of law.
- ii Establish the Institute's guidelines for fraud, corruption and bribery prevention, detection, and sanctions.
- iii Also specify possible acts of corruption and other types of conduct that are unacceptable, inappropriate, or prohibited by the Institute's rules and regulations, and the procedure for implementing corrective measures.

2. SCOPE AND OBJECTIVES

This Policy applies to the conduct of all employees, the institute management committee, suppliers, customers, joint ventures and partners (where they agree to be bound by the policy) as well as temporary and contract staff (including subcontractors /representatives). It also applies to volunteers, consultants, associates or agents of the Institute and any third party acting on her behalf, which includes fixed term staff, contractors, trainees, seconded staff, homeworkers, casual workers, agency staff, sponsors, or any other person associated with the Institute, wherever they may be located (collectively referred to as 'Staff' in this Policy).

This Policy document is intended to compliment, not replace, any applicable laws or regulations

governing fraud, corruption and bribery. Thus, we remain bound by the constitution of Federal Republic of Nigeria (1999) as amended, Code of Conducts, Public Service Rules, Financial Regulations Finance (control and management) Act 1958, Audit Act 1956, Public Procurement Act, Yearly Appropriation Act, Fiscal Responsibility Act, Circular / Establishment Treasury, Revenue Mobilization and Fiscal Allocation Commission and Allocation of Revenue (Federal Account) Act in respect of our conduct at home and abroad.

Therefore, objectives of the anti-fraud, corruption and bribery policy document is to:

- i Outline the Institute's procedures for the prevention, detection of and response to incidents of fraud and corruption as it applies to the organization's activities and operations.
- ii Strengthen NSPRI's ethical culture as an essential element for the establishment and implementation of mechanisms to prevent, identify and deal with acts of fraud and corruption that may occur within the Institute.
- iii Further reinforce the Institutes values.
- iv Provide information and guardian to those working for the institute on how to recognize and deal with bribery and corruption issues.

3. DEFINITION OF TERMS

- i **Fraud:** Fraud is a deliberate intent to acquire money or goods dishonestly through the falsification of records or documents. The deliberate changing of financial statements or other records by employee or supplier of Nigerian Stored Products Research Institute. Examples of fraud include; misappropriation of research project fund, falsification of financial records, and embezzlement of government funds among others.
- ii **Bribery:** This is the unlawful act of offering, promising, giving, accepting or soliciting an advantage as an inducement for action that is illegal or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. For instance, unlawful payment made to staff whether cash or paid into his/her account.
- iii **Corruption:** Corruption is an act of dishonesty or criminal offence committed by a person or organization entrusted with a position of authority to acquire illicit benefit or abuse power for private gain. Corruption may include many activities such as bribery and embezzlement, no prompt reporting of financial or other illegal activities, though it may also involve practices that are legal in many countries. Note, fraud and corruption do not necessarily imply immediate financial benefits for the individual(s) committing fraud or corruption but may cause damage to the reputation of the Institute.
- iv **Theft:** This refers to a dishonest acquisition, using or disposing of physical or intellectual property belonging to the Institute or her beneficiaries.
- v **Facilitation of payments:** Facilitation of payments refers to small bribes paid to speed up a service. No matter how small the amount involved, they are still bribery payments. Some organizations work in areas where such payments are the norm in the local culture,

often where charitable need is extreme. The one exception is when a local supplier does not have a bank account, and payment in cash is unavoidable. In this instance, Staff must follow the Institute Cash Procedure before making payment.

- vi **Gifts:** The term "gifts" in the context of fraud, corruption, and bribery, refers to items, favour, or benefits given to individuals in positions of authority or influence with the intention of fast tracking their actions or decisions in a manner that would be favourable to the giver.
- vii **Charitable and Political Donations:** Charitable donation is a gift of cash or property to a non-profit organization while Political donation is anything of value that is given, loaned or advanced to influence decision. The Institute does not make political donations or payments. Charitable donations can in some circumstances be used as a disguise for bribery. An example is where a donation is provided to a 'charity' which is controlled by a public official who is in the position to make decisions that affects the organization. Therefore, whilst the organization supports community outreach and charitable work, recipients must be subjected to suitable due diligence and approved process in all circumstances. It must be cleared who the actual recipient of the donation is and for whose benefit the donation is ultimately made.

4. PROCEDURE FOR TRIAL

The process for Staff raising concerns and how they will be dealt with is outlined in the Nigerian Stored Products Research Institute Anti-Fraud, Bribery and Corruption Procedure:

- i All concerns should be reported immediately to the Executive Director (ED).
- ii The ED notifies the institute management committee of all financial or accounting irregularities, or of any circumstances that may suggest the possibility of irregularities.

5. REPORTING SUSPICIONS

These are actions deployed to detect and report known or suspected violations of rules and regulations. The following actions are ways of reporting suspicious activities in the Institute:

i Whistleblowing

Whistleblowing refers to the act of reporting misconduct, unethical behaviour, or illegal activities within an organization to internal or external authorities. Whistleblowers are basically employees, contractors, or other insiders who have witnessed wrongdoing and choose to bring it to light with undeniable or infallible proofs. Whistleblowing mechanisms, such as email, hot lines, reporting channels, or designated compliance officers shall be put in place for individuals to report concerns confidentially and without fear of retaliation. Members of the public who have suspicions or evidence of fraud, bribery or corruption can communicate such concerns via the whistleblowing mechanisms.

ii Red Flags

Red Flags are warning signs or indicators that suggest the presence of fraud, bribery or corruption within an organization. These warning may include but not limited to unexplained or unusually large financial transactions, inadequate documentation or supporting evidence for transactions, failure to adhere to internal controls or compliance procedures and unwillingness to provide information or cooperate with audits or investigations. Prompt recognition of these red flags would help identify and address potential fraud or corruption appropriately.

6. RESPONSIBILITIES OF STAFF, INSTITUTE MANAGEMENT AND OTHERS

In relation to the prevention of fraud, theft and abuse of position, actors have specific responsibilities as follows:

- i. Ultimate responsibility for this Policy rests with the Institute management committee whom all enquiries may be directed. The management is responsible for periodically reviewing this policy as required. In producing this Policy due regard has been given to the provisions in 1999 constitution of Federal Republic of Nigeria, Code of Conduct laws, Public Service Rules, Financial Regulations, Audit Act, Public Procurement Act and Human Rights Act to mention a few.
- ii. The prevention, detection and reporting of bribery and other forms of corruption are the responsibilities of all those working for the institute or under its control. All Staff or agents of the Institute are required to avoid any activity that might lead to, or suggest a breach of this policy.
- iii. Any Staff of NSPRI who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. NSPRI may also pursue criminal prosecution. Institute reserves the right to terminate any contractual relationship with consultants, associates, agents or contractors if they breach this policy.
- iv. The responsibility for the initial training and on-going staff monitoring in relation to this policy lies with the Executive Director and Project Managers with staff responsibilities. They are responsible for establishing and maintaining a sound system of internal control that supports the achievement of institute policies, aims and objectives.

The system of internal control is designed to respond to and manage the whole range of risks that NSPRI faces. The system of internal control is based on a continuous process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. This include:

- i. Establishing appropriate mechanisms for reporting fraud risk issues and significant incidents of fraud to the management.
- ii. Making sure that all employed staff are aware of NSPRI Anti-Fraud, Bribery and Corruption Policy, and know what their responsibilities are in relation to combating fraud.

- iii. Ensuring that periodic anti-fraud training is available to the management and Staff as required.
- iv. Ensuring that appropriate action is taken to minimize the risk for a repeat of any previous fraudulent activities.
- v. Ensuring that monthly, quarterly or yearly financial reports of each zonal offices/ out-stations are received at appropriate time

7. ACTING IN GOOD FAITH

- i. Anyone filing a complaint under this Policy must be acting in good faith and have an honest belief that the complaint is well founded, including reasonable factual or other bases.
- ii. Depending on the circumstances, such conduct may also give rise to other actions, including civil or crime.

8. RESPONSE PLAN

To ensure proper and timely response to unethical activities, the institute management committee will:

- i. Ensure proper investigation and consistent confidential treatment of information regarding fraud and corruption, whilst having regard to the requirements of Data Protection legislation.
- ii. Constitute an experienced internal investigation panel consisting relevant officers, auditor or other adviser.
- iii. Work closely with other agencies, such as the Nigerian police and judiciary to ensure that all issues are properly investigated and reported.
- iv. Ensure maximum recoveries are made on behalf of the Institute.
- v. Ensure malicious accusations are considered for disciplinary action.

9. REVIEW

The Anti-Fraud, Corruption and Bribery Policy will be reviewed every two years by the Institute management committee and will ensure the revised version reflects all changes made in best practice and legislation.

10. REFERENCE DOCUMENT

- 1999 constitution of Federal Republic of Nigeria, amended.
- Public service rules
- Financial regulations
- Finance (control and management) Act 1958
- Audit act 1956
- The Public Procurement act
- The yearly appropriation Act

- The Physical Responsibility Act
- Circular / Establishment Treasury
- Revenue Mobilization and Fiscal Allocation Commission
- Allocation of Revenue (Federal Account) Act