



**Fraud and Anti-Corruption Policy  
2024**



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**MEGAPLUS<sup>®</sup>**

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## **1. Fraud and Anti-Corruption Policy**

- 1.1 Megaplus Pakistan is committed to maintain a high level of integrity in order to ensure that our business is conducted transparently and efficiently. The purpose of this document is to confirm that Megaplus Pakistan supports and fosters a culture of zero tolerance to fraud and corruption in all its activities and operation at corporate level. This policy is intended to set down the stance of the company to fraud and corruption, as well as to the reinforcement of corporate culture policies, procedures and regulations in dealing with end users and corporate level customers preventing, detecting, reacting and reducing the impact of fraud and corruption.
- 1.2 Fraud and Corruption is a constant threat in the under developing countries and this poses a risk both internally in the company and externally in the interaction with end users (beneficiaries), governments departments, public sector organizations and suppliers.
- 1.3 Megaplus Pakistan has Zero Tolerance to fraud and corruption. All fraud, corruption and irregularities will be investigated timely and followed up by the application of all remedies available within the full extent of the law as well as the application of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the corporate governance systems, policies, procedures, rules and regulations of company.

## **2. Scope of the Policy**

- 2.1 This policy applies to all sorts of allegations, attempts and incidents of fraud and corruption impacting or having the potential impact a specific on end user, corporate customers, Government departments, public sector organizations and the company as a whole.
- 2.2 The policy takes all specific provisions on fraud and anti-corruption as mentioned in the End user specific requirements, corporate governance applicable in Pakistan and suppliers agreements into consideration.
- 2.3 Megaplus Pakistan under any circumstances strictly prohibits employees/ partners etc, the payment of bribes, gifts, kickbacks of any kind while dealing with government, public, individuals and private sector officials.

- 2.4 Company will comply with all applicable laws against bribery, corruption, inaccurate books & records, inadequate internal controls, and money- laundering including the U.S. Foreign Corrupt Practices Act ("Anti- Corruption Law").

### **3. Potential fraudulent and corrupt Practices**

- 3.1 Megaplust Pakistan only does business with trustworthy customers in corporate sector and provide solution to end users with satisfaction.
- 3.2 The list of all potential fraudulent and corrupt practices and their explanation is given as per **Annex-A**.

### **4. Conducting & Reporting Internal Investigation**

*What should employees do if they suspect fraud and corruption?*

- 4.1 Megaplust Pakistan prohibits bribes of any kind, including facilitating payments. A facilitating payment is a payment made to secure or expedite a routine government action by a government official.
- 4.2 It is the responsibility of all employees to immediately report all sort of allegations or incidents of fraud and corruption to their immediate line manager or, if the employee has reason to believe that his/her immediate line manager is involved, to the next level of management.
- 4.3 Similarly, all managers are responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption to the Head of Department. The Head of Department shall update the Senior Management Team (SMT) and form Committee consisting one each Staff from Finance, HR and Administration to initiate the investigation of matter, and share the finding with SMT to resolve the matter.
- 4.4 If any employee wish to report allegations of fraud and corruption anonymously, they can contact any member of SMT, or alternatively report it directly through email or Complaint Box.

*What should Corporate Customers, Ender User, Government Departments, Public sector organization, Suppliers and partners should do if they suspect fraud and corruption?*

- 4.5 Megaplust Pakistan encourages Corporate Customers, Ender User, Government Departments, Public sector organization, Suppliers and partners who suspect fraud and corruption to send email through Email: [finance@megaplust.com.pk](mailto:finance@megaplust.com.pk) other means of communication as per Annex-C.

### *How will the Committee deal with allegations of fraud and corruption?*

- 4.6 For issues raised by employees, corporate Customer, End User, suppliers and partner the action taken by SMT will depend on the nature of the concern. The matters raised may:
- Be investigated internally in accordance with the procedures mentioned in Annex-B.
  - Referred to the Police/or other law enforcement Agencies/Authorities.
- 4.7 Any activity of fraud and corruption committed by an employee of Megaplust Pakistan will not be tolerated and will be pursued by thorough investigation to the fulfillment of the law, including consideration of:
- a) Taking disciplinary action within a reasonable period of time after the incident;
  - b) Instituting civil action to recover losses;
  - c) Initiating criminal prosecution by reporting the matters to relevant law enforcement agencies / police.
  - d) Breach/cancellation of contract;
  - e) Freezing the performance guarantee;
  - f) Blacklisting for future considerations by Megaplust Pakistan;

## **5. Confidentiality**

- 5.1 All information relating to fraud and corruption that is received and investigated will be treated and kept confidential. The progression of investigations will be handled in a confidential manner and will not be disclosed or discussed with any person(s) other than those who have a legitimate right to such information. This is important in order to avoid harming the reputations of suspected person who are subsequently found innocent of wrongful conduct.
- 5.2 No person is authorized to supply any information with regard to allegations or incidents of fraud and corruption to third parties except with the permission of CEO.

## **6. Publication of Sanctions imposed**

CEO, in consultation with Senior Management Team will decide, whether any information relating to corrective actions taken or sanctions imposed, regarding incidents of fraud and corruption should be brought to the direct attention of any person or made public through any other means.

## **7. Protection of Whistle Blowers**

- 7.1 An employee who suspects or reports suspected dishonest activity or any such activity that he/she has witnessed may remain anonymous should he/she so require.
- 7.2 No person will suffer any penalty or reprisal for good faith reporting of any suspected or

actual incident of fraud and corruption.

## **8. Application of Preventive Controls and Detection mechanism**

- 8.1 Partners must record payments and other compensation in their corporate books, records, and accounts in a timely manner and in reasonable detail. No undisclosed or unrecorded accounts may be established for any purpose. False, misleading, incomplete, inaccurate, or artificial entries in the books and records are prohibited. Partners must also develop and maintain a system of internal controls to prevent the payment of bribes and provide reasonable assurance that financial statements and reporting are accurate.
- 8.2 In respect of all reported incidents of fraud and corruption, managers are required to immediately review, and where possible, improve the effectiveness of the controls, which have been breached in order to prevent similar irregularities from taking place in future.

## **9. Creating Awareness**

It is the responsibility of all line managers and heads of departments to ensure that all employees are made aware of, and receive appropriate training and education with regard to this policy by Human Resource Department.

## **10. Administration**

The custodians of this policy are Heads of Departments, who are responsible for its implementation. This policy will be reviewed annually against a baseline and appropriate changes, if required, shall be made and followed by training of all employees.

## **11. Global Enforcement**

Corruption is a global issue. Every country in which Megaplus Pakistan employees or its partners operates prohibits corruption. In addition, the U.S. Foreign Corrupt Practices Act (FCPA) extends to Megaplus Pakistan and its customer's activities worldwide. Anti-corruption laws are enforced globally and across borders.

## **12. Annexures**

## ***Annex-A Potential Fraudulent or Corrupt practices***

Fraud & Corruption includes, but not limited to the following:

a) The following legal definitions:

- I. Fraud, i.e. "the unlawful and intentional making of a misrepresentation resulting in actual or potential prejudice to another"
- II. Corruption which could be summarized as : "giving or offering; receiving or agreeing to receive; obtaining or attempting to obtain any benefit which is not legally due to or by a person who has been charged with a duty or power by virtue of any employment, to do any act or omit to do any act in relation to that power or duty" and
- III. Theft, i.e. "the unlawful and intentional misappropriation of another's property or property which is in his/her lawful possession, with the intention to deprive the owner of its rights permanently"

b) Fraudulent or corrupt acts may include but not limited to;

*Systems issues: where a process/system exists which is prone to abuse by either employees or stakeholders.*

- Maladministration or financial misconduct in handling and reporting of money, financial transactions or other assets;
- Irregular collusion in the awarding of contracts, or orders for purchase of goods and/or services;
- Disclosing confidential or proprietary information to outside parties;
- Travel and subsistence claims (false charges for accommodation and meals;
- Inflated charges on meals, false mileage;
- Abuse of sick or other permissible leave;

*Financial issues: i.e. where individuals or companies have fraudulently obtained money from Megaplus e.g.:*

- Suppliers submitting invalid POs, invoices or invoicing for undelivered services work not done; and
- Theft of revenue/ Cash collected from customer or taking bribes for services for activities.

## ***Annex-A Potential Fraudulent or Corrupt practices (Cont'd)***

### ***List of Fraudulent and Corrupt practices***

- receiving undue gifts or favors for rendering services, e.g. expensive gifts in contradiction to Megaplust Pakistan fraud and anti-corruption policy
- Nepotism and favoritism
- Deliberately omitting or refusing to report or act upon reports of any irregular or dishonest conduct.
- Theft of supplies and equipment
- Improper use of Megaplust Pakistan official seal/stamp
- Falsification of information and reports
- An excessive claim for expenses or allowances
- Payment of salary or wages to a fictitious employee
- False work attendance record or timesheet
- Not recording leave taken or false classification of leave
- Acceptance of offers, receiving or offering kickbacks or bribes for special treatment
- Payment for work not performed
- making or using forged credentials and endorsements
- Altering amounts and details on documents
- overcharging
- Writing off recoverable assets or debts
- Unauthorized transactions
- selling information
- Cash stolen or borrowed without authorization
- Supplies or equipment stolen or borrowed without authorization
- Manipulation of the procurement process, including undisclosed conflict of interest
- Unauthorized transactions with related parties
- damaging or destroying documentation/ or record
- misusing copies of records and receipts
- false invoicing, including using imaging and desktop publishing technology to produce false original invoices charging incorrect accounts in order to misappropriate funds
- Over claiming expenses
- Running a private business with official information
- Downloading confidential information and forwarding this to an unauthorized party
- Presentation of false documentation or statements about personal past experience, education or certificates/diplomas



## ***Annex-B Conduct Internal Investigation***

### **Importance**

Deciding whether to undertake an internal investigation is a key part of an organizational response to detected or suspected corruption.

All internal investigations need to adhere to natural justice principles, confidentiality, rules of evidence and standards of proof, legal and policy compliance and safety regulations.

"Natural justice" or procedural fairness, refers to three key principles:

- The person being investigated has a chance to have his or her say before adverse formal findings are made and before any adverse action is taken
- The investigator(s) should be objective and impartial, and
- Any action taken is based on evidence (not suspicion or speculation).

It is not enough to simply undertake an internal investigation and write a report. Managers need to act on any findings and/or recommendations.

### **"The role of internal investigations"**

The purpose of an internal investigation is to find out what actually happened and identify what action is needed to protect the organization from loss or harm. An internal investigation is a fact- finding exercise, not a trial or tribunal. The investigation may make findings and recommendations, but it is not the investigator's role to act on these findings and recommendations.

A poorly conducted internal investigation may result in corrupt employees going unpunished, individuals under investigation being treated unfairly and the organization's resources being wasted.

## "How to Conduct Internal Investigations"

### 1. Establish a comfort level with the employee who raises the issue.

When an employee initiates a discussion with you regarding an issue he or she is concerned about, it is critical that you respond properly. After ascertaining the general nature of the issue, make sure the employee feels comfortable that you can address it objectively. Establishing the employee's comfort level early on will help avoid problems when you reach the resolution point. Sometimes, if an employee does not agree with the outcome of an investigation, he or she may contend that the person conducting the investigation was biased; establishing a comfort level from the outset makes this less likely to occur.

### 2. Interview the concerned employee.

Use an initial interview with the concerned employee to help you determine whether the issue can be resolved informally or whether an internal investigation is necessary. The most important objective of this preliminary interview is to *get the facts*. Get the WHO, WHAT, WHERE, WHEN and WHY.

In addition, there are other important points to convey to the person who brought the problem to your attention:

- Inform him/her that Megaplus Pakistan does not permit any retaliation or reprisal when a legitimate issue is raised.
- Advise him/her that if an investigation is necessary, he or she will be notified and told who will be conducting the investigation.
- Tell him/her that you will limit the disclosure of information to those people having a legitimate need to know.
- Instruct him/her to do the same. Inform the employee that he or she, as well as all individuals involved in an investigation, have a strict duty to keep information relating to the investigation confidential.
- Tell him/her that the person conducting the investigation will be getting back to him or her from time to time and that his or her continued cooperation in the investigation will be necessary to reach a resolution.
- Ask the employee for suggestions on how he or she thinks the matter could best be resolved. Does the employee have any suggestions or preferred resolutions?
- Let the employee know the organization will make any final determination regarding the best way to resolve the issue; however the employee's input is valuable and will be considered seriously.

### 3. Organize and plan the investigation.

Organizing your thoughts and planning the investigation before conducting witness interviews is one of the most important components of an effective internal investigation. Before conducting witness interviews, prepare yourself by doing the following:

- a. Apprise yourself of any policies, guidelines, or practices that apply to the situation.
- b. Determine what relevant documents you can obtain that may help your investigation, such as the employee's personnel file, the employee's performance appraisals, expense reports, documents from internal interviews, or information from a prior investigation if there is any.
- c. Determine who should conduct the investigation. In light of your expertise and experience, consider whether you are the right person to handle this particular investigation.
- d. Consider whether you can be objective with regard to the parties involved and/or the issues raised.
- e. Ask yourself whether you have any bias that will prejudice the integrity of the investigation if you are the one who handles it.

#### 4. Decide whom to interview and gather the facts.

An internal investigation may require interviews with a variety of people. Consider the possible interviewees and what is appropriate and necessary based on the situation. Possible interview subjects include the employee who made the complaint, the employee who is the subject of the complaint, witnesses to the conduct, other persons with relevant information, authors of relevant documents, people whom the accuser asks you to interview and people whom the accused asks you to interview. Remember, however, that less is more: limiting the number of people you interview will help you stay on track with the issue raised and ensure the effective use of time and resources. Accurate note taking during interviews is essential. Do your best to record important facts during the interview and complete your notes immediately afterwards while the information is still fresh.

#### 5. Make necessary preparations before meeting with the accused employee.

Once you've gathered the facts, sift through them to determine what is relevant. Not all of the information you gather is relevant or necessary to come to a resolution, and only those facts relevant to the issue at hand should be considered. Before meeting with the accused, prepare an outline in which you list the facts that relate to each issue, leaving room underneath each fact to write in the interviewee's responses when those facts are discussed. It is difficult for anyone to respond to broad-based allegations of wrongdoing or abstract notions of policy or guideline violations, so prepare a detailed explanation of the issue that can be provided when you meet the accused employee. In addition, anticipate the accused employee's questions and be ready with answers.

## 7. Meet with the accused employee.

Explain to the person who is the focus of the investigation that you need as much information from him or her as possible. Emphasize the importance of providing you with any facts or information that will help get to the bottom of the issue. If the employee refuses to cooperate, explain that you have an obligation to resolve the issue. Explain that if he or she refuses to provide relevant information, you will have to base your decision on other information gathered in the investigation and that his or her unwillingness to cooperate will be considered as a factor in your decision.

Start off with broad questions such as: “What is he/she like to work with?” “Does it surprise you that she’s complained about you?” “What did happen?” Use open-ended questions at first.

Then, move to more narrow, pointed questions to follow-up. Listen carefully to the answers and be flexible in your questioning. Don’t start with tough questions – develop rapport first and ask them when the right atmosphere and chemistry have developed. Use timelines to help ensure you have the story and chronology straight. Doing so helps assess credibility and resolves conflicts. Finally, as in other interviews, do your best to accurately record information and complete your notes immediately after the interview.

## 8. Keep an open line of communication with the accused employee.

Before concluding the interview with the accused employee, let the employee know that he or she is welcome to come back to you with additional information at any time, but preferably before the investigation is complete. Try to give the employee a general timeframe within which you expect to complete your investigation. This will encourage the employee to provide any additional information within a relatively short time period.

## 9. Make a recommendation.

After analyzing the facts gathered during the investigation and reaching a conclusion about what happened, be prepared to make a recommendation to the appropriate manager regarding the actions that should be taken.

In formulating a recommendation, consider a variety of factors:

1. Were any of Megaplus policies, guidelines or practices violated?
2. If so, would you consider the violation to constitute a serious offense?
3. What has Megaplus done in the past with regard to similar violations?
4. Are you confident that you have gotten the accused employee’s side of the story?
5. How long has the employee who violated your policy been employed at Megaplus?
6. Has the employee ever violated any other policies in the past?
7. What is the employee's performance history at Megaplus?
8. Are there any other circumstances that could affect your recommendation, i.e., any “Mitigating” circumstances?

**Annex-C Complaints Procedures Flow Chart**

