



KARONGA DIOCESE

ANTI-FRAUD CAMPAIGN

PART I

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FraudStop

Recognize it.
Report it.



The Anti-Fraud Campaign sessions for the Karonga Diocese employees is aimed at sensitizing all our staff to be able to report financial crimes including fraud, theft, bribes, corruption and collusion by employees of the Diocese and partners like Suppliers, Donors, Contractors and Third parties.

These campaign sessions will be instrumental in raising awareness on the risks associated with fraud and make sure all our employees are vigilant at reporting fraud and safeguarding the resources and reputation of the Diocese.

Fraud does not happen by accident, it is an intentional act designed to deceive others. Fraud is undesirable, it results into losses which affects the running of the Diocese and eventually staff remuneration.

**Has
many
faces**

FRAUD

**Knows no
Boundaries**

The Diocese relies on its employees to:

- **Identify**
- **Report and**
- **Expose incidents and suspected incidents of fraud**

**Fraud prevention and
detection is everyone's
responsibility**

When an employee intentionally deceives the Diocese or the Diocese's partners or service providers for personal gain (mostly financial, but not always).

Bribery and corruption are other forms of staff fraud and may result in unjustified benefit with severe repercussions for the employee and the Diocese



**Collusion with
syndicates to
defraud the
diocese or any
of its institution**

**Submitting fraudulent
staff claims, e, g travel
expenses, fake
maintenance receipts,
leave claims e.tc,**

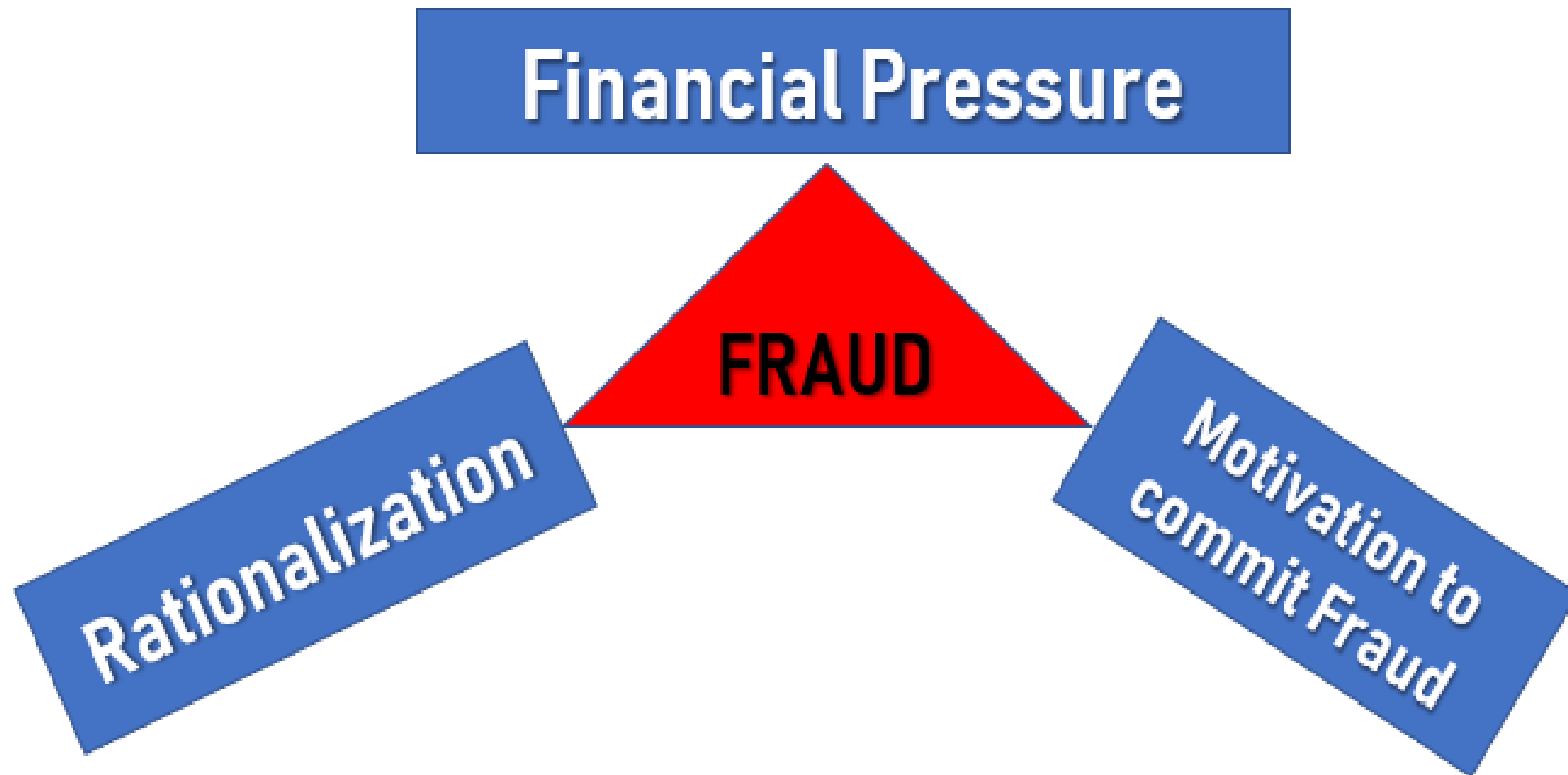
**Favoring a service
provider (i.e.
Contractor)
Payments received
/direct conflict of
interest**

**Examples
of Staff
Fraud**



UNDERSTANDING ON WHY PEOPLE COMMIT FRAUD

The Fraud Triangle



DEALING WITH FRAUD

Dealing with fraud is complicated and needs a deep understanding on reasons why people commit fraud. There are some Stimulus Incentives to commit fraud and these are, Ego, Capability, Opportunity and Rationalization.

- **An oversized ego**

- This is behind the largest financial frauds of all time such as the most notorious Bernie Madoff's \$65 Billion swindle in the USA. The Ponzi scheme architect. This is an alert that a person with a very persuasive personality which is good for business and management, if they develop a super ego, they become dangerous.

- **Capability**

- This refers to personal traits and abilities playing a major role in committing fraud. One needs the right person with the right capabilities to commit fraud. Often our well capable staff pose the greatest danger as they can commit and conceal fraud. Separation of duties should be encouraged to minimise fraud in this area.

DEALING WITH FRAUD

CONTINUED...

- **Opportunity**

- For some people, the reason they have never committed fraud is simply because an opportunity to do so has never availed itself. Given an opportunity, they may be worse fraudsters.

- **Rationalisation**

- In this case the fraudsters' self-justification that it's somehow OK to steal. This typical fraudster may be a first-time offender, and therefore they don't consider themselves a criminal, but rather a good person who has themselves in a giant mess.

DANGERS OF FRAUD TO THE DIOCESE AND EMPLOYEES

TO THE DIOCESE

- **Reputational risk**
- **Loss of donor confidence**
- **Inability to pay employees and meet running costs**
- **Unplanned litigation costs in pursuing fraudulent activities**

TO THE EMPLOYEES

- **Loss of employment**
- **Jail term**
- **Financial and emotional stress to the employee and his family**
- **Bad CV, unable to get further employment**
- **Suicidal thoughts**
- **Public segregation**

YOU ARE EQUALLY PART OF THE SYNDICATE

**IF YOU DON'T
SPEAK UP
YOU'RE COVERING UP**

BE VIGILANT !

and protect the resources of the Diocese.....



*In your life, you
might have heard
people regretting
their own actions,
and complaining
that they did not
behave, act or think
in the right way*

TRUST:



*Do not over trust people,
scrutinise the documents*

*“I do not trust anyone, not even
myself.” Joseph Stalin, 1952*

Isaiah 2:22

*“Stop regarding man in whose
nostrils is breath, for of what
account is he?”*

