

Grievance Redressal System (GRS)

(Former Complaint Management System)



Document History

Date & Approval Ref	Version	Issues Addressed	Description of Change *

*Any changes in text/expression/entitlements/limits/policy or procedures through amendment or revision or review after due approvals are the examples of Description of Change and must be recorded in chronological order.

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Policy Note

MDF Grievance Redressal System (GRS) (formerly: Complaint Management System) was established in 2013 (*The procedures were formally approved on 5th APRIL 2013 by the Audit Committee in Its 10th Audit Committee Meeting*). The current policy update encompasses improvements and changes brought over time by the company to keep the document at par with regulatory and donor requirements. The recent update follows SECP guidelines (Circular # 24,2018).

1. Introduction:

Grievance Redressal System (GRS) of **MDF** (Also called as **MDF-Complaint Cell**) encompasses policies /procedures related to management of complaints /grievances received from a) customers, b) third parties, c) members of community institutions, d) employees/ former employees e) donor agencies and f) other stakeholders.

As a policy **MDF** ensures its GRS to be efficient and effective while complying with the standard of fairness, transparency and accessibility for increased user satisfaction and organizational reputation.

The jurisdiction of GRS of **MDF** is limited to businesses of the company directly managed by organizational staff. GRS does not register and follow up on the complaints related to subsidiary and associated companies of **MDF**, donor and government line agencies, partner agencies or contracted vendors. The complainants are informed to directly contact the relevant institutions. As a policy GRS does not entertain issues pending under any court of law or government line agencies. For all other complaints, GRS registers and maintain the record of complaints which may include details of reported violation of policies, planning or occurrence of fraudulent activity, misconduct, seeking favors by organizational staff as reward, threats or acts of sexual harassment, unprofessional attitude etc.

The Grievance Redressal System of **MDF** is principally in compliance with guidelines as detailed in circular number 24 issued by SECP.

MDF- Grievance Redressal System (GRS) has two categories:

- a. **Grievances from Employees (including former employees):-** For the purpose of management grievance , the grievance is defined (but not limited to) as formal complaint raised by an employee with regards to breach of contractual terms, work place environment, discriminating attitude, raise and promotion or work place harassment by colleagues or supervisors , or asking for favors etc.
- b. **Grievance /Complaints from Customers/ Third Parties:** - For the purpose of management of complaints, complaint is defined as an oral or written expression of dissatisfaction relating to the **MDF** from a customer where a response or resolution is expected. To these guidelines, a customer is defined as a person who has obtained finance from an **MDF** or has any business relationship with the **MDF**.

2. Structure:

The GRS is supervised by a head office based senior executive nominated by CEO in consultation with Audit Committee (currently Head of HR is supervising the GRS). To avoid possible conflict of interests (if any), regional and operational managers are not tasked to head the system. For investigating/inquiring a matter, the head of GRS has authority to trigger an investigation as per investigation guidelines of the company. The regional and operational departments nominated by Head-GRS in consultation with regional head or concerned project manager are required to facilitate the management and investigation process. The complaint cell directly reports to Chief Executive Officer for administrative matters whereas for technical guidance, the forum of Audit Committee is consulted. The Progress on GRS is reviewed by Audit Committee of the Board in their quarterly held meetings as separate agenda item and is captured in working papers /Committee meeting minutes. The Chairperson Audit Committee also at times put discussion points related to GRS in Board meetings

3. Procedure:

- i. Any aggrieved can report any grievance, violation, fraud, or misconduct in reference to **MDF** operations or of its executing entities through any source of communication channel (whether verbal or in writing) and may communicate with complainants via SMS, email, recorded line or surface mail or any other agreed channel as per following: -
 - a. A dedicated e-mail address (complaints@MDF.org.pk)
 - b. A dedicated SMS service link with Complaint cell portal
 - c. A direct landline phone number
 - d. A written complaint at the addressed given on website, displayed in offices.
 - e. In person
- ii. All the received complaints are acknowledged.
- iii. All the received complaints are reviewed and analyzed by the Complaint Cell and are marked to concerned offices to provide their feedback within a defined period
- iv. Depending on the nature of the Complaint, Head-GRS, with the consent of the respective Appointing Authority, is also authorized to constitute an Inquiry Committee to investigate the offence and report its findings and recommendations. The Inquiry Committee shall comprise at least three impartial members
- v. Resolution Timeline:

Following maximum timelines may be observed for all complaints.

Acknowledgement	Within one working day. In case of complaints received after working hours, the next working day would be considered its receipt day.
Interim reply	If the complaint requires detailed scrutiny, within 5 working days shall inform the complainant that the complaint requires detailed scrutiny
Final reply	Complaints that don't require detailed scrutiny: 15 working days Complaints which require detailed scrutiny: 30 working days

- vi. The details of complainants received, along with their status (whether open or closed) is shared with Audit Committee members in quarterly held Audit Committee Meetings. These details are also recorded in minutes of Audit Committee.
- vii. Complaints or grievance attracting policy response, or an executive decision are required to be forwarded to Audit Committee of the Board of Directors or Chief Executive Officer as the case be

4. Escalation Process:

It is the policy of **MDF** to resolve the issues on ASAP basis. **MDF** has established following escalation procedure whereby a complaint cannot be resolved or disposed of within timeframe.

- i. If the Section/Regional-Head does not respond to the grievance/complaint within the given time frame, the grievance/complaint will be escalated to the higher authority through Head-GRS at head Office.
- ii. In case if the concern is against the senior management, then the same shall be referred to the executive committee of the BOD by the Complaint Cell through committee /Company Secretary
- iii. The Detailed Complaint Log is submitted to Internal Audit Committee of the Board at each quarter, where unresolved/pending complaints are also reported for the resolution at highest level within organization.
- iv. Apart from the redressal mechanism within the organization the Complainant has the access to other judicial or administrative remedies that are available

under the law or through existing arbitration procedures. Information of such forums are publicly available e.g.

- a. Security Exchange and Commission of Pakistan (SECP)-Complaint Cell-
Contact details mentioned on the main page of **MDF**-Website
- b. Prime Minister's Portal
- c. In case of Harassment, Office of Ombudsman

5. Record Keeping:

As per policy record of all the complaints is maintained for a period of two years. The record is maintained in a logbook containing the name of complainant, CNIC, contact details of the complainant, brief nature of complaint, concerned official to whom the complaint is marked.

6. Monitoring and assessing Complaint Handling Mechanism

- i. The performance of GRS is reviewed on quarterly basis by Audit Committee as an agenda of Compliance Review.
- ii. The complaint handling mechanism is also subject to internal audit at least annually and any deviation or non-compliance of internal procedures as well as legal /regulatory requirements is reported to BOD through Committees.
- iii. The Complaint data is also reviewed during operational audits

7. Roles and Responsibilities:

- **Board of Directors**

The Board of Directors is responsible to review and approve policy matters and provide guidelines to management on GRS. The policy matters requiring guidance of the Board are presented in Board meeting by the Chairperson Audit Committee.

- **Audit Committee**

The Audit Committee of the Board is tasked by the Board to review the details of complaints and grievances (if any) during their quarterly held meeting. The HR department (tasked to handle the complaints) prepares a summary of complaints received, forwarded, and closed during a given time frame. Unresolved complaints (exceeding 90 days) are brought for specific attention of the Audit Committee. The Audit Committee also determines whether GRS is working in appropriate manner or needs some improvements.

- **Chief Executive Officer**

Though **MDF** has decentralized way of working where each regional and district head is authorized to locally handle the affairs of the respective region. However, all such powers by regional heads are drawn from CEO. With regards to unsettled procedural complaints and grievance, CEO **MDF** is final authority to decide. CEO also acts as an arbitrator between compliant cell and field teams where required

- **Head-MDF-GRS: -**

The head of GRS is responsible for management of GRS in an effective manner. The head of complaint cell is also responsible to act as liaison office between different stakeholders such as regulator, Board, management, and the complainant. The head of complaint is also responsible for timely settlement of complaints and sharing data of settled and un-settled complaints with Board and regulators where required.

Complaint cell is authorized to the following: -

- Register or refuse registration of complaint. Generally anonymous complaints / generalized complaints or complaints not relevant to affairs of the company are not to be entertained.
- To commission an inquiry or investigation on complaint.
- Accept/reject or require additional information from responding officials on the complaints referred to them
- Head-Complaint cell is authorized to determine and send the unresolved complaint to next higher level that is CEO, Audit Committee or the Board
- The complaint cell is authorized to make improvement by bringing in technology and resources for management of complaints.

- **Internal Audit**

Internal Audit is responsible for carrying out independent review of complaint management system on once-a-year basis (at least). During the course of internal Audit, the auditors randomly contact the complainants (both in person and on phone) on sample basis for cross verification of data reported in GRS. Internal Auditors as per their mandate are also authorized to conduct independent inquiries and

investigations related to GRS.

8. Exclusions

- I. The GRS does not record and act on complaints related to associated and subsidiary companies of **MDF**. The companies with separate legal identities have their own independent Board of Directors and management teams. The complainants are directed to respective associate or subsidiary by providing the contact details of respective institution
- II. The GRS does not log complaints for the matters pending in court of law or have been registered with other regulatory bodies by the complainants.
- III. Acts of whistle blowing are not dealt under GRS of **MDF**. For the acts of separate policies and procedure are in place.
- IV. Complaints previously closed are not reopened unless fresh or relevant evidence is provided for re-opening of the complaints.
- V. Additional complaints on the matters already under Internal investigations are not entertained