

Investigation Guidelines Policy manual



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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1. Introduction

The purpose of the “Investigation Guidelines” is to ensure that investigation activities at MDF are conducted thoroughly, objectively, effectively and in accordance with moral, ethical and professional standards. These guidelines are “**a guide to best practice**” but are not mandatory in every situation. Efforts will be made to ensure consistency in the investigations conducted in accordance with these guidelines to maximum possible extent. However, deviations (if any) may not necessarily constitute a due process violation.

Internal Audit Department’s mission is to provide MDF with an effective system of independent and objective internal oversight that is designed to improve the effectiveness and efficiency of MDF’s operations in achieving its development goals and objectives through the provision of internal audit, investigation, and advisory services.

An investigation can be triggered on the following:

- Request of any inquiry committee as established under grievance/complaint management system for HR, Procurement, Projects, and Programs, MDF Clients and beneficiaries
- When determined by internal audit department
- When determined by the CEO

The authorized official to commission investigation may appoint external professional experts if required.

1.1. *Scope of Investigation*

- Abuse of authority
- Vengeance against whistleblowers
- Misrepresentation
- Workplace harassment
- Failure to comply with conflict and financial disclosure requirements
- Procurement fraud
- Dishonesty and corruption
- Robbery and embezzlement
- Misuse of MDF resources
- Improper recruitment
- Sexual exploitation and sexual abuse
- Assault and threat
- Failure to comply with local laws/abuse of privileges and immunities
- Any other misconduct, such as willful, reckless or grossly negligent disregard of MDF regulations, rules and administrative instructions.

2. Primary Objective of Investigation

The purpose of an investigation is to examine and determine the reliability of allegations of corrupt or fraudulent practices as defined by MDF including with respect to but not limited to, projects financed by the MDF, and allegations of misconduct on the part of the organization's staff members. This also includes evidence of the reported offence as explained above or to determine the adequacy of the evidence provided by the accused in his/her support.

To help determine the relevant and necessary action in accordance with applicable laws and MDF's rules for competent authority. As such, the investigative process is part of the entire system of accountability and must be executed in a manner that supports the system and interests of justice. Matters that do not fall within the scope of Investigation mandate, such as allegations of poor work performance and are dealt with by other procedures will not be subject to investigations.

3. Confidentiality

Confidentiality is key for effective investigation and other appropriate action in cases of alleged wrongdoing. Confidentiality is in the interest of the MDF, investigation team and the subject of the investigation. The investigator will keep all information and data safe and will not disclose to any person other than investigation team members and inquiry committee or CEO.

During an investigation, it will be necessary for Investigation team to provide details to people with a legitimate 'need to know.' This may include:

- Information provided to subjects to allow them to fully respond to allegations and to provide countervailing evidence
- Information contained in requests to witnesses/other people with whom investigators speak or communicate to verify facts
- Information is shared with the legal advisor and/or senior management during an investigation to allow necessary action to be taken prior to the conclusion of an investigation

Any such information must not be further communicated without the written approval of officer commissioning the investigation and must be treated in accordance with any instructions given by grantor

of the permission. In determining the level of information that is provided to subjects, witnesses, and others during an investigation, investigation team will seek to strike a balance between the legitimate need for information and the risk of retaliation.

Requests for confidentiality by investigation contributors will be honored to the extent possible within the legitimate needs of the investigation. However, the identity of investigation participants or subjects and the details of the investigation may become known for reasons outside the control of the investigators. In certain cases (for example, workplace harassment and abuse of authority), the identity of the complainant and/or other investigation participants will need to be shared with the investigation subject to allow a response and the submission of any countervailing evidence that may be relevant to the assessment. This disclosure may be delayed where there is risk to documentary evidence, witnesses, and potential victims. In case of any information required by any law enforcing agency from the investigator, the investigator will refer the matter to company secretary.

4. Investigation Standards

The General Principles as determined by MDF Board are as under:

- Investigative findings shall be based on facts and related analysis, which may include reasonable inferences. These findings should follow an objective assessment of all information, including inculpatory and exculpatory evidence, gathered during the investigation.
- The Investigation team shall maintain objectivity, impartiality and fairness throughout the investigative process and conduct its activities competently and with the highest levels of integrity. Investigations follow prescribed steps to ensure procedural fairness.
- Following the completion of the investigative process, Investigation officer may still be required to support post investigation activities that fall within the responsibility of the organization as part of the system of accountability.
- The investigative team shall perform its duties independently from those responsible for or involved in operational activities and from staff members liable to be subject of investigations and shall also be free from improper influence and fear of retaliation.
- The staff of the investigative team shall disclose to a supervisor in timely fashion any actual or potential conflicts of interest.

- Appropriate procedure shall be put in place to investigate allegations of misconduct on the part of any staff member of an investigative team member.
- The Investigative Office shall take reasonable measures to protect as confidential any non-public information associated with an investigation.
- The Investigative Office shall make recommendations, as appropriate, to the organization's management that are derived from its investigative findings.

5. Standard of Evidence

Disciplinary proceedings resulting from investigations are not of a criminal nature, but rather are administrative as regulated by the rules and policies of the Organization. The exact standard proof may vary with the seriousness of the alleged offense and the severity of the potential sanction, but in all cases must be proof beyond a reasonable doubt.

6. Rights and Obligations of Subjects and Other Investigation Participants

During an investigation, all investigation participants have a right to:

- A presumption of innocence throughout the investigation
- A professional, impartial, and thorough investigation; and
- Due care in the handling and sharing of confidential information during the conduct of the investigation

All persons interviewed will:

- Have the interview(s) scheduled at a reasonable place and time and be provided with the details of the individual(s) conducting the investigation interview
- Be treated with fairness and explained the investigation process
- Have the assistance of an interpreter during an interview, if required, within the working languages of MDF, which are English, Urdu, Punjabi, Sindhi, Balochi, Saraiki, Pushto and Hindko
- Investigation subjects (or complainants in cases relating to allegations of sexual exploitation, sexual abuse or sexual harassment) may request to be accompanied to their interview by an observer who

is either a MDF staff member or an immediate family member, provided that the observer is readily available and not involved in the investigation. The observer must agree to respect the confidentiality of the investigation and sign a confidentiality statement. The observer may not interrupt, prevent, or delay the interview, and is not allowed to speak during the interview. If the investigator considers the presence of the observer to be disruptive, the observer may be asked to leave, and the interview will proceed without the observer. Considering the cultural context, gender and other elements of the case, the investigator may also select an observer (e.g. local office staff etc.) to attend the interview

- To the extent possible, interviews conducted by inquiry team will be conducted by two persons
- Investigation subjects and participants have no right to the presence of counsel during interviews
- Inquiry team will not pay a witness or a subject for information

An individual who has been made the subject of an investigation is entitled to:

- Be advised in writing of the nature of the allegations and his or her role in the investigation no later than at the time of interview; and
- Be given the opportunity to explain his or her actions and to provide any documents or information that may be relevant to the factual determination of the matter, along with the names and details of any witnesses who may have relevant information

In cases where Inquiry team recommends the consideration of disciplinary action, staff members who are the subject of an investigation have the following rights

- The staff member will be interviewed during the investigation. The interview will be audio or video recorded and a copy of the transcript will be made available to the subject who will be invited to sign it. The staff member cannot change their statement as recorded by Internal Audit Department of MDF's recording devices
- Additionally, the staff member may choose to also provide a signed statement containing any clarification of their statements during the interview(s); and
- The staff member will be provided with a copy of the draft investigation report, redacted as necessary to protect witnesses and whistleblowers. The staff member will be given the opportunity to provide comments on the factual findings and conclusions of the report along with any countervailing evidence; within a reasonable time (normally between ten and thirty working days, depending on the seriousness and complexity of the matter).

7. Notification of Subjects

An individual who has been made the subject of an investigation has the right to be informed in writing of his or her status and to know the nature of the allegation(s). This notification will take place at the earliest possible time. Situations may prevent advance notification of the subject prior to his or her interview. Such situations include, but are not limited to, the following:

- The evidence (documentary, electronic, physical, or witness statements) related to the allegation(s) has not been secured (i.e. preserved, collected, and recorded) and might be tampered with; or other safety or security issues exist that would threaten the investigation (e.g. retaliation against the complainant, informant or witness, flight of the subject).
- Once these issues are adequately addressed and evidence is seized and fully secured, the individual must be notified in writing that he or she is the subject of an on-going investigation. The notification will take place no later than at the beginning of his or her interview as the subject of the investigation
- If, during the investigation team discovers new facts giving rise to allegations of wrongdoing on the part of an investigation participant, investigation team will notify the investigation participant, as soon as practicable, that he or she has become a subject of the investigation. If an investigation participant provides information during an interview that makes him/her a subject, the interview will be stopped and a subject interview will proceed only after the person has been advised in accordance with the requirements of the first paragraph of item 6 above.
- If during the investigation additional allegations are raised against the investigation subject, the investigators will inform the subject of these new allegations.

8. Administrative Leave

The circumstances under which staff members who are the subject of an investigation may be placed on Administrative Leave (suspension) by HR department and General Manager without holding monthly salary. However, they shall not be given any official assignment and facility to work from home. Their access to official email, laptop, computers, and databases of MDF be restricted for period till the conclusion of inquiry.

9. Reporting

9.1. *Closure Report*

Closure reports are internal, confidential documents prepared for investigations that do not result in a recommendation for consideration of disciplinary, administrative, or other action. A closure report is normally used in the following circumstances:

- i. Where the evidence obtained during the completed investigation does not substantiate the allegations
- ii. Where, due to the circumstances, further investigation is not warranted the case will be closed

The Investigation team will submit its report to the inquiry committee within the time agreed when such investigation was commissioned. The team will also present the report and explain it to the committee.

9.2. *Investigation Report*

If the investigation reveals adequate evidence to reasonably conclude that wrongdoing has occurred, the investigation team will prepare an investigation report setting out the allegations, the investigation methodology and the facts established in the investigation. Where the complaint involves more than one allegation, the investigation report will provide details of the investigative steps undertaken to corroborate each allegation, the evidence gathered as relevant to each allegation, and the finding relating to each allegation. The potential consequences of an investigation report vary depending on the contract modality of the subject. Specifically:

- If the subject is a MDF staff member, the report is submitted to Chief Executive Officer for consideration of disciplinary proceedings or administrative action
- If the subject is a Contractor, a report is submitted to the responsible manager (Head of Department) for review and further action along with copy to Chief Executive Officer
- If the subject is a vendor, the report is submitted to the Purchase Committee of MDF or consideration of vendor sanctions
- If the subject is a Volunteer/or intern, the report is submitted to the GM for consideration of disciplinary or other action, such as to terminate the internship agreement

10. Responsibility for Updating the Guidelines

These Guidelines have been approved by the Board of Directors of MDF. Company secretary is responsible for keeping the Guidelines up to date, considering changes in the Legal Framework, applicable policies, and procedures.