

*Internship Report*

*On*

*“Internal Investigation Practice: A Study on BRAC”*



**Submitted to:**

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*Letter of Transmittal*

May 29, 2016

S.M Arifuzzaman  
Assistant Professor,  
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**Subject:** Submission of Internship Report.

Dear Sir,

I, Fozley Ibnul Lishan, ID: 13164070, Major: Finance, MBA, would like to inform you that I have completed my internship report on “Internal Investigation Practice: A Study on BRAC”. In this regard I have tried my best to complete the work according to your direction.

It will be great pleasure for me if kindly accept my report and allow me to complete my degree.

Sincerely Yours,

Fozley Ibnul Lishan  
ID: 13164070  
MBA, Major: Finance

## ACKNOWLEDGEMENT

Preparing this report the person helps me, is my coordinator, S.M Arifuzzaman whose cares make me to be served myself for making this report. And the thank goes to my colleagues who always been friendly and cooperative for putting their advices. Friends and People, who added their advices to make this report, obviously are getting worthy of thanks.

In preparing this report a considerable amount of thinking and informational inputs from various sources were involved. I would like to take this opportunity to express my sincere gratitude to those without their blessing and corporation this report would not have been possible. At the very outset I would like to pay my gratitude to Almighty Allah for the kind blessing to complete the report. Lastly warm thanks go to the text books, journals, magazine and newspapers which help me to add a good shape.

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## *Executive Summary:*

BRAC, an international development organization based in Bangladesh, operates its activities in 14 countries throughout the world, including BRAC USA and BRAC UK. The vision of BRAC is to create a world free from all forms of exploitation and discrimination where everyone has the opportunity to realize their potential. The mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. The topic of the report is “Internal Investigation Practice: A Study on BRAC”. The objective of report is to understand the Financial Investigation of different programs related to BRAC. The report also seeks for the percentage accounts related financial irregularities occurred in year 2014-15 in different areas and the percentage of different program related financial irregularities occurred in year 2014-16 in different areas. Business investigation thoroughly investigates business operations, which are related to any exceptional incident. On the basis of functions the report try to focus on the determining and discovering the characteristics of the data. So the report is a “descriptive report”. The nature of the data based on secondary. Secondary data were collected from various websites including BRAC’s website, articles on news papers, annual reports, magazines etc. The report has been analyzed by MsExcel. BRAC efficiently runs its operation through highest provision of transparency, discipline, accountability and systematic approach. Investigation report tries to find out the fact behind particular incident. But investigators responsibility is to create some value to make the report worthwhile. Every report gives the insightful ideas for entire business model and process through with BRAC’s field level employees abided by. So, investigation report shows how each segment of BRAC’s businesses plays role toward organizational goals and how business operations make sense. The crucial investigation report not only safe organization from losses but also creates some value to organization for sustainable development.

## Chapter: 1: Introduction

### Introduction:

BRAC, an international development organization based in Bangladesh, is the largest non-governmental development organization in the world, in terms of number of employees. BRAC maintains offices in 14 countries throughout the world, including BRAC USA and BRAC UK. BRAC considers itself to have a unique philosophy towards eradicating poverty. The vision of BRAC is to create a world free from all forms of exploitation and discrimination where everyone has the opportunity to realize their potential. The mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. It's interventions aim to achieve large scale, positive changes through economic and social programmers that enable men and women to realize their potential. BRAC values are ensuring by its Innovation, Integrity, Inclusiveness and Effectiveness. The objective of report is to understand the Financial Investigation of different programs related to BRAC. The report also seeks for the percentage accounts related financial irregularities occurred in year 2014-15 in different areas and the percentage of different program related financial irregularities occurred in year 2014-15 in different areas. Business investigation thoroughly investigates business operations, which are related to any exceptional incident. BRAC have been maintaining the department under Human Resource Division since 2003.

### Objective of the Study:

#### Broad objective:

- Understanding the Financial Investigation of different programs related to BRAC.

#### The specific objectives:

- To find out the Accounts related financial investigation occurred in year 2014-16 in different areas.
- To find out the different programs related financial investigation occurred in year 2014-16 in different areas.

## Chapter: 2: Literature Review

### **Corporate Investigation:**

Corporate investigations thoroughly investigate business operations, these types of cases are also called business investigations. A corporate investigation generally tries to find out whether a business partner is legitimate, whether a potential business merger makes sense, or whether fraud or embezzlement is going on. While these are the most common types of company investigations, though, these cases can cover a wide range of topics, from intellectual property, to criminal inquiries to financial searches. Some services that may be conducted during a business investigation include:

- Financial investigation
- Due diligence
- Computer forensics
- Surveillance Investigation
- Sexual Harassment

### **Financial Investigation:**

A financial investigation is any investigation into a person or person's financial matters. It could also involve the investigation into the finances of a business or a private limited company. A financial investigation can determine where money comes from, how it is moved and how it is used.

The financial investigation techniques described in this module can be used in all types of investigations, and investigators are able to engage powerful legislative tools that target the proceeds of crime. This module focuses on the knowledge and awareness required for a non-specialist investigator to use financial investigative tools, to understand money laundering, and instigates asset recovery and the confiscation of criminal property.



### **Due Diligence Investigations:**

**Due diligence** refers to many different situations involving an investigation of either a business or individual, before signing a contract and becoming legally responsible for an entity. A due diligence investigation is a type of pre-transaction or pre-employment corporate investigation that tries to uncover details of a company's management, finances, performance, mission, history, aims, suppliers, clients, industry and any other details that may affect how a company does business. Due diligence is vital before a merger, company purchase, or acquisition because it ensures that liabilities are not hidden. Due diligence ensures that there will be no unpleasant surprises down the road.

### **Computer Forensics and Cellular Forensics / Cyber Crime Investigations:**

Computer and cellular forensics investigations are used in a variety of cases both criminal and civil. Though often considered similar investigations, the two types of devices are different in how they function, the techniques and technologies used to examine them, and the laws surrounding each investigation. Trained forensic investigators can use a number of techniques to thoroughly analyze a computer or cell phone to resolve an issue, and it's important to hire an investigator with the right experience.

### **Surveillance Investigation:**

Surveillance is the close observation of a person, place, or object. It is the practice of watching a subject in order to document and identify any of the contact, interactions, or whereabouts of the subject. Surveillance investigations can include:

- Missing person searches
- Cheating spouse investigations
- Recurrent theft
- Worker's compensation cases
- Vandalism

### **Investigation of Sexual Harassment:**

“Sexual harassment” is unwelcome conduct of a sexual nature that is sufficiently persistent or offensive to unreasonably interfere with an employee’s job performance or create an intimidating, hostile or offensive working environment. Sexual harassment is defined by the Equal Employment Opportunity Commission Guidelines as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example: a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment, b) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or c) such conduct has the purpose or effect of unreasonably interfering with individual’s work performance or creating an intimidating, hostile or offensive working environment.

## Chapter: 3: Organizational Overview

### History and Evolution of BRAC:

BRAC, an international development organization based in Bangladesh, is the largest organization in the world, in terms of number of employees as of June 2015. Established by Sir Fazle Hasan Abed in 1972 after the independence of Bangladesh, BRAC is present in all 64 districts of Bangladesh as well as other countries in Asia, Africa, and the Americas.

BRAC employs over 100,000 people, roughly 70 percent of whom are women, reaching more than 126 million people. The organization is 70-80% self-funded through a number of commercial enterprises that include a dairy and food project and a chain of retail handicraft stores called Aarong. BRAC maintains offices in 14 countries throughout the world, including BRAC USA and BRAC UK.

BRAC considers itself to have a unique philosophy towards eradicating poverty. As one author has said, "BRAC's idea was simple yet radical: bring together the poorest people in the poorest countries and teach them to read, think for themselves, pool their resources, and start their own businesses". Sir Fazle Hasan Abed strongly believed that poverty alleviation could be achieved only through an improvement to multiple issues plaguing a country, which explains the vast range of programs that BRAC is involved in. Furthermore, his conviction that poverty amelioration could only be sustained through greater equality in gender roles led BRAC to heavily advocate women's rights and the improvement of women's welfare.

### Vision:

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realize their potential.

### Mission:

BRAC mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. Our interventions aim to achieve large scale, positive changes through economic and social programs that enable men and women to realize their potential.

### **BRAC Values:**

- **Innovation-** BRAC has been an innovator in the creation of opportunities for the poor to lift themselves out of poverty. We value creativity in program design and strive to display global leadership in groundbreaking development initiatives.
- **Integrity-** We value transparency and accountability in all our professional work, with clear policies and procedures, while displaying the utmost level of honesty in our financial dealings. We hold these to be the most essential elements of our work ethic.
- **Inclusiveness-** We are committed to engaging, supporting and recognizing the value of all members of society, regardless of race, religion, gender, nationality, ethnicity, age, physical or mental ability, socioeconomic status and geography.
- **Effectiveness-** We value efficiency and excellence in all our work, constantly challenging ourselves to perform better, to meet and exceed program targets, and to improve and deepen the impact of our interventions.

### **Economic development Program:**

BRAC's Economic Development program includes microcredit. It provides collateral-free credit using a solidarity lending methodology, as well as obligatory savings schemes through its Village Organizations. Reaching nearly 4 million borrowers, Village Organizations provide loans to poverty groups. BRAC has reached out to those who, due to extreme poverty, cannot access microfinance. BRAC defines such people suffering from extreme poverty as the 'ultra poor', and has designed a program customized for this group that combines subsidy with enterprise development training, healthcare, social development and asset transfer, eventually pulling the ultra poor into its mainstream microfinance program.

Microfinance, introduced in 1974, is BRAC's oldest program. It spans all districts of Bangladesh,<sup>[10]</sup> and is the largest micro lending operation in the country, the renowned Grameen Bank being a close second. It provides collateral-free loans to mostly poor, landless, rural women, enabling them to generate income and improve their standards of living. A typical BRAC loan is to buy chickens to raise for eggs and meat. In addition to the loan, BRAC teaches the borrower how to care for and raise the chickens, and provides access to low-cost, high-quality inputs. The emphasis is on self-empowerment. BRAC's microcredit program has funded over \$1.9 billion in loans in its first 40 years. 95% of BRAC's microloan customers are women. According to BRAC, the repayment rate is over 98%.



In addition to microfinance, BRAC provides enterprise training and support to its member borrowers in poultry and livestock, fisheries, social forestry, agriculture and sericulture. It provides inputs essential for some enterprises through its 'Program Support Enterprises' that include Poultry farm and disease diagnostic laboratory, Bull Station, Feed Mill, Broiler Production and Marketing, Seed Production, Processing, Marketing and Soil Testing, BRAC Nursery, and Fish and Prawn Hatchery. BRAC's Vegetable Export program started in 1998 is a venture that is aimed at bridging the gap between local producers and international markets.<sup>[12]</sup> BRAC also focuses on the problem of youth employment, providing assistance for young men and especially women to join the workforce, for example, with programs like the Adolescent Development Program. BRAC also has a number of commercial programs that contribute to the sustainability of BRAC's development programs since returns from the commercial programs are channeled back into BRAC's development activities. These programs include Aarong, a retail handicraft chain, BRAC Dairy and Food Project, and BRAC Salt.

BRAC founded its retail outlet, Aarong (Bengali for "village fair") in 1978 to market and distribute products made by indigenous peoples. Aarong services about 65,000 artisans, and sells gold and silver jewellery, handloom, leather crafts, etc.

### **Education Program:**

BRAC is one of the largest NGOs involved in primary education in Bangladesh.<sup>[14]</sup> As of the end of 2012, it had more than 22,700 non-formal primary schools with a combined enrolment of 670,000 children.<sup>[11]</sup> Its schools constitute three-quarters of all NGO non-formal primary schools in the country.

BRAC's education program provides non-formal primary education to those left out of the formal education system, especially poor, rural, or disadvantaged children, and drop-outs.<sup>[1]</sup> Its schools are typically one room with one teacher and no more than 33 students. Core subjects include mathematics, social studies and English. The schools also offer extracurricular activities. They incentivize schooling by providing food, allowing flexible learning hours, and conferring scholarships contingent on academic performance.

Bangladesh has reduced the gap between male and female attendance in schools. The improvement in female enrolment, which has largely been at the primary level, is in part attributable to BRAC. Roughly 60% of the students in their schools are girls.

BRAC has set up centers for adolescents called *Kishori Kendra* that provide reading material and serve as a gathering place for adolescents where they are educated about issues sensitive to the Bangladeshi society like reproductive health, early marriage, women's legal rights etc. BRAC has also set up community libraries, 185 out of 964 of which are equipped with computers.



### **Public health program:**

BRAC started providing public healthcare in 1972 with an initial focus on curative care through paramedics and a self-financing health insurance scheme. The program went on to offer integrated health care services, its key achievements including the reduction of child mortality rates through campaign for oral rehydration in the 80s and taking immunization from 2% to 70% in Bangladesh. BRAC, in 1980, trained 10,000 women to teach Bangladeshi families how to make their own oral rehydration solution; to date 75% of families in Bangladesh use oral rehydration therapy to treat diarrhea, 13 million homes have been reached by BRAC trainers, and estimates of lives saved by oral rehydration therapy reach 10s of millions.

As of December 2012, 105,000 community health workers had been trained and mobilized by BRAC to deliver door-to-door health care services to the rural poor in Bangladesh. BRAC has established 30 static health centers and two Limb and Brace Centers that provide low cost devices and services for the physically disabled.<sup>[11]</sup> BRAC has been working closely with the government as part of National Tuberculosis Program (NTP) to combat tuberculosis, covering 93 million people in 42 districts.<sup>[16]</sup> BRAC has also been working in National Malaria Control Program (NMCP) in partnership with government and 20 other NGOs in 13 endemic districts of Bangladesh covering almost 15 million people.

In 2007, BRAC launched two projects focused on bettering maternal, neonatal, and child mortality, namely, Manoshi in certain urban regions and Improving Maternal, Neonatal and Child Survival

(IMNCS) in certain rural regions. The programs cover Dhaka, 7 other city corporations, and 14 of Bangladesh's 64 districts. From 2007–10, Manoshi's operations led to a decline in home deliveries from 86% to 25%, and a maternal mortality ratio of 141 (per 100,000 births) compared to the national average of 194. Similarly, in IMNCS areas, hospital delivery doubled to 30% from 15%, and maternal mortality declined to 157 (per 100,000 births). In 2014 BRAC's community healthcare workers reached 1.6 million women with between one and four prenatal care check ups. They also attended deliveries, and provided birthing huts as an alternative to childbirth at home.

### **Program for promoting gender equality and empowering women:**

BRAC organizes and mobilizes poor rural women in Bangladesh to speak up and take collective action against discrimination and exploitation. It provides training to local administrators on issues important to the poor, particularly women, and seeks to increase the accessibility, transparency, and accountability of local government. It disseminates information about citizens' legal rights and laws concerning marriage, family and inheritance through popular theatre, community radio, and legal aid clinics. It addresses forms of gender inequality and violence against women such as child marriage, dowry, polygamy, oral divorce, acid throwing, domestic violence, and rape.

BRAC's 2007 impact assessment of its North West Microfinance Expansion Project testified to increased awareness of legal issues, including those of marriage and divorce, among women participants in BRAC programs. Furthermore, women participants' self-confidence was boosted and incidences of domestic violence were found to have declined.<sup>[21]</sup> One of the most prominent forms of violence against women, acid throwing, has been decreasing by 15-20% annually since the enactment in 2002 of legislation specifically targeting acid violence.

### **Disaster relief program:**



BRAC conducted one of the largest NGO responses to Cyclone Sidr which hit vast areas of the southwestern coast in Bangladesh in mid-November 2007. BRAC distributed emergency relief materials, including food and clothing, to over 900,000 survivors, provided medical care to over 60,000 victims and

secured safe supplies of drinking water. BRAC is now focusing on long-term rehabilitation, which will include agriculture support, infrastructure reconstruction and livelihood regeneration.

### **BRAC's Operations outside Bangladesh:**

#### **Afghanistan:**

BRAC registered in Afghanistan in 2002 and covers 23 out of 34 provinces. Its major programs in Afghanistan include Microfinance (funding from MISFA), Health, Education, National Solidarity and Capacity Development. Its Microfinance Program has 429 branch offices that have disbursed more than US\$96 million to over 179,000 member households (895,000 people). BRAC runs nearly 2,371 schools which have seen 118,416 students graduate, almost all of whom are girls. BRAC Afghanistan has 3,617 community health workers and 1,390 poultry and livestock extension workers. It has established two Training and Resource Centers in Kabul and Mazar-e-Sharif. BRAC's staff in Afghanistan includes 3,463 locals and 180 expatriates.

#### **Sri Lanka:**

BRAC registered in Sri Lanka in 2005 following the devastating Tsunami and initiated relief and rehabilitation activities. Their rehabilitation and livelihood programme in Sri Lanka covers three districts and 43 divisions. BRAC's work in Sri Lanka includes the fisheries, agriculture, poultry and livestock, small business, income-generation activities, education and health sectors. In January 2014, BRAC sold its shares of BRAC Lanka Finance PLC to Commercial Leasing and Finance PLC (CLC), a company within the LOLC Group.

#### **Pakistan:**

BRAC expanded into Pakistan in 2007 and now covers six districts. BRAC Pakistan employs 1000 staff members that work in 68 offices that are set up throughout the country. The Micro-finance Program supports 837 village organizations that have over 14,544 members, which is one of the leading MFI in Pakistan and a trend setter of vulnerable groups. From 2 August 2012 BRAC is field partner of Kiva Microfunds, BRAC Pakistan's education program has opened 200 primary schools in the Sindh province, and 100 pre-primary schools in Khyber Pakhtunkhwa. In 2013, 94,361 people benefited from BRAC Pakistan's health services

#### **Tanzania:**

BRAC Tanzania, established in 2006, has created over 7,619 microfinance village organizations with over 116,000 members and already disbursed more than \$160 million. Over 480 community health promoters,



65225 agriculture program farmers and 15681 poultry and livestock farmers have been trained. up to December 2012 it was a field partner of Kiva Microfunds. As of 23 July 2010, Kiva reported BRAC Tanzania's status as closed with a 0% Delinquency Rate.

### **Uganda:**

BRAC Uganda's Microfinance Program has formed over 2,145 village organizations with 59,844 members. To date, the program has disbursed \$14.8 million with a repayment rate of 100%. BRAC Uganda has trained 200 community health promoters and opened 122 learning centers in Internally Displaced People (IDP) camps that have enrolled nearly 20,704 learners. It is a field partner of Kiva Microfunds.

### **South Sudan:**

In 2007, BRAC started operations in South Sudan. The microfinance program, which consists primarily of returning war refugees, has formed 220 village organizations with over 8,400 members. The cumulative disbursement in 2008 was \$1,313,150. BRAC South Sudan has initiated a community-based health program under which community health organizers and health promoters receive training.<sup>[23]</sup> It is a field partner of Kiva Microfunds.

### **Liberia**

In 2008, BRAC launched programs in microfinance, health, agriculture, livestock and poultry; reaching more than 582,000 of the poorest in Liberia. BRAC employs 161 Liberians (71% women) and has mobilized nearly 300 community-based volunteers.

### **Sierra Leone**

BRAC opened its offices in Sierra Leone in 2008 and started program in 2009. BRAC runs services in microfinance, health, agriculture, livestock and poultry, and by the end of 2009 reached over a quarter of a million Sierra Leoneans with their activities. BRAC provides jobs for 169 Sierra Leoneans (83% female) and supports 323 local volunteers.

### **Haiti:**

BRAC has provided technical assistance to Fonkoze, Haiti's largest microfinance organization, to replicate BRAC's ultra poor program. In 2010, they opened a Limb and Brace Center to support those who were injured in the 2010 Haiti earthquake.

### **Philippines:**

BRAC launched operations in the Philippines in 2012 in partnership with Australian aid agency AusAID, with plans to operate at least 1,600 pre-primary and primary schools in Autonomous Region in Muslim Mindanao.<sup>[30][31]</sup> As of 2013, there are 1,010 learning centers that are benefitting 31,522 disadvantaged children. There are also 600 new learning centers in Sulu and Basilan, adding to the existing operations in the provinces of Maguindanao, Lanao del Sur and Tawi-Taw.

### **BRAC Awards:**

- Gates Award for Global Health (Bill and Melinda Gates Foundation), 2004
- CGAP Financial Transparency Award, 2005 & 2006
- Independence Award (Shadhinata Puroshkar), 2007
- The Conrad N. Hilton Humanitarian Prize, 2008
- Devex Top 40 Development Innovator, 2011
- #1 Nonprofit in International Microfinance (2012)
- #1 in Top 100 Best NGOs in 2013 (2013)
- World Toilet Organization "Hall of Fame" Award 2014

### **Sir Fazle Hasan Abed's awards:**

- The World Food Prize
- The Ramon Magsaysay Award for Community Leadership, 1980.
- The Maurice Pate Award by UNICEF, 1992
- The Olof Palme Prize, 2001
- The Social Entrepreneurship Award by the Schwab Foundation, 2002
- The International Activist Award by the Gleitsman Foundation, 2003
- The United Nations Development Programme Mahbub ul Haq Award, 2004
- The Henry R. Kravis Prize in Leadership, 2007
- The inaugural Clinton Global Citizen Award, 2007
- The David Rockefeller Bridging Leadership Award, 2008
- Knighted by Queen Elizabeth, 2010
- WISE Prize, 2011
- Open Society Prize, 2013

### **BRAC internal investigation Practice:**

There are many kinds of internal irregularities observed in BRAC, those are given below:

**Financial Irregularities:** Financial Irregularities are the international misstatements or omissions of information related to financial transactions are detrimental to the interest of the organization. It includes:

- **Fraud:** Fraud can be perpetrated by anyone, at any time, any practice, at any place. Factors encouraging fraud are as follow:
  - High personal debts or financial losses
  - Inadequate income for lifestyle
  - Excessive pressure to meet financial targets
  - Perceived inequalities in the organization
  - Resentment of superior and frustration with job
  - Weak internal control system
- **Corruption:** Financial corruption is committed in two ways:
  - Embezzlement
  - Misappropriation of assets
- **Embezzlement of money:**
  - Money transfer to another branch/projects
  - Short deposit of money through DCR/passbooks/collection sheet/cash receipts/bank
  - Overdrawing the billed amount
  - Excess posting on computer ledgers than the actual expenditure
  - Double posting of expenditure (i.e salary, travelling bill, rents, etc)
  - False loan billing/ loan disbursement
  - Savings deposit and withdrawal
  - Larceny of cash in hand
  - Compromising quality/ quantity
- **Misappropriation of Asset:** a type of fraud that involves stealing from organization's cash or other assets by deceitful means. It occurs in following ways:
  - **Corruption:** It includes purchase scheme, sale scheme, invoice kickbacks, bid rigging, illegal gratuities, economic extortion, personal use of BRAC assets, etc.

- **Fraudulent Statement:** Asset overstatement, timing differences, fictitious revenues, concealed liabilities, improper disclosure, improper assets, asset understatement, employment credentials are considered as fraudulent statements.
- **Indecent behavior:**
  - Using curse words/inappropriate language
  - Insulting others
  - Using staff for personal matters
  - Prying into staff's personal matters
  - Misbehavior with development partners/village organization members
  - Physical torture/assault
  - Partiality
  - Criticizing
- **Maladministration/violation of program policy:**
  - Inhuman working conditions
  - Intentional transfer
  - False complaining
  - Threats
  - Taking undue facilities
  - Forcing staff to do night duty
  - Calling staff at once to back from leave/calling staff to attend after office hours
  - Misusing organizational resources
  - Concealment of information
  - Violation of HRPP/staff rights
  - Violation of program policy
- **Sexual harassment:**
  - Verbal
  - Unwanted touching
  - Indecent exposure
  - Sexual violence including rape

**Areas of financial irregularities:** There are different types of financial irregularities. Those are given below:

- **Accounts related:**

- Short in cash in hand
- Short/excess transfer to another projects
- Short deposited to and excess withdrawals from bank
- Less accounts for than the realization ( i.e collections, special savings, seat rent etc)
- Double/ excess payment of bills/salaries
- False payment ( i,e loans, salaries, remittances)
- Overdrawing of payment amount
- Shortage of stock and stores
- False bank and cash statements preparation
- Accounts manipulation
- False receivable shown in accounts

- **Microfinance related:**

- False loan disbursement
- Short deposit of installments and savings
- Overdue realization through advance collection
- Loan possessed by another person
- Multiloans to one member/party
- Loan realizes through new loan
- Loan disbursement by bearer cheque (progoti)
- False insurance bill payment
- False saving withdrawn
- Loan adjustment from another members savings balance

- **BEP (BRAC Education Program) related:**

- False payment of bills, salaries, purchases, etc.
- Double payment of salaries, school rent/advances
- False withdrawal of teachers refreshers bills/honoriums
- Short deposited through sales proceeds of old books
- Shortage of stock and stores
- Receivable from Gonokendra Pathagar

- **BHP (BRAC Health Program) related:**
  - Short deposit of different service charges
  - Shortage of medicine/revolving fund
  - Shortage of stock and stores
  - Local purchase
  - False refreshers bills
  - Medicine and commodities sales
  - Security deposit and refund to TB patients
- **TUP (Targeting the Ultra Poor) related:**
  - Purchase of assets
  - False refreshers/training bills
  - Nonpayment of subsistence allowance
  - Replacement of assets
  - Sales of assts
- **WASH (Water Sanitation and Hygiene) related:**
  - Installation of deep tube well
  - Free distribution of latrine set
  - Refreshers/workshop
  - Loan disbursement
  - Local purchase
- **Enterprises related(Aarong, AAF, Poultry firm, Feed Mills, Cold Storage, BRAC Printers, Broiler Processing Plant, Etc):**
  - Excess/under payment of wages/salaries
  - Shortage of stock and stores
  - Unauthorized Local purchase
  - Sales proceeds (i.e commission, incentives, discounts)
  - Process loss (i.e manufacturing/production and formulation)
  - Wastage (i.e showing excess)
  - Payment of VAT, taxes and utilities
  - Improper handling of cash

## Chapter: 05: Methodology of the Study

The methodology indicates the definition of population, sample selection, sources of data, data collection technique, and the data analysis method followed by the limitations of the Study.

There are two types of report; based on techniques and based on functions. On the basis of functions the report try to focus on the determining and discovering the characteristics of the data. So the report is a “descriptive report”. The nature of the data based on secondary. Secondary data were collected from various websites including BRAC’s website, articles on news papers, annual reports, magazines etc. The report has been analyzed by MsExcel.

## Chapter: 06: Analysis and Findings

### Job responsibilities of Investigators in BRAC:

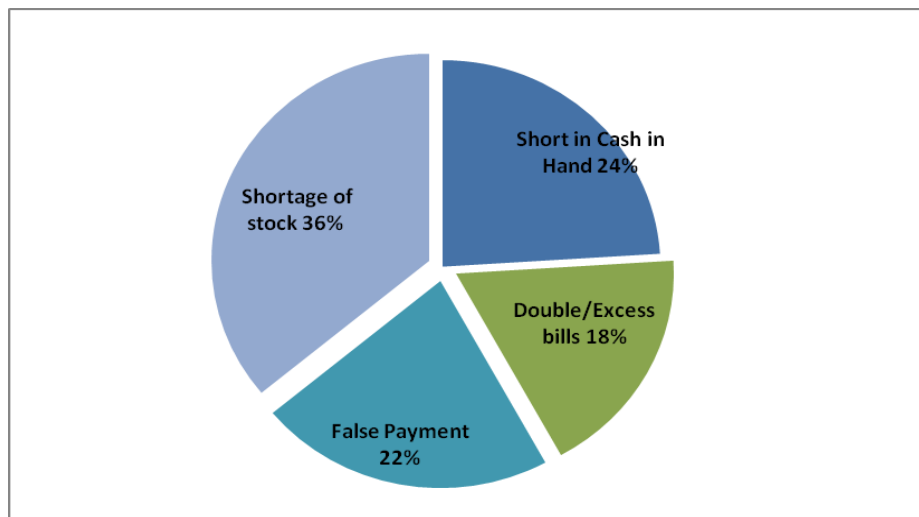
Conduct financial investigation of Micro Finance and Support programs complying with BRAC-HRPP & Internal Investigation guideline & Procedures for producing qualitative reports maintaining BRAC values to achieve the organizational objectives. The major responsibilities are given below:

- Study the assigned complaint letter thoroughly and chalk out an investigation plan for investigating the allegation from Microfinance and support programs like Finance & Accounts, BLD, Internal Audit, Monitoring, HRD, Transport, Procurement, Communication, Construction & Maintenance and share with respective supervisors.
- Prepare a probable list of interviewees like complainer, alleged person, direct and indirect witnesses, loaner & V.O members for microfinance, suppliers/vendors and required bill vouchers.
- Notice to alleged person through registered letter with acknowledgement or email before 7 days of starting investigation.
- Prepare a questionnaire for each interviewee before and during investigation and visit the place of occurrence.
- Take interview of related persons maintaining high confidentiality and keep a written record with dates and signature in the presence of local HR officer.
- Take interview of the management staff (i.e manager, Sr. manager/SRM, RM, AGM, DGM, GM/PC & Program Head) for assessing their responsibilities in respect of the fraudulent incidents.
- Review and examine the financial statements, bill voucher with supporting, cash book, ledger, dairy collection register, collection sheet, member wise loan & saving collection report, passbook, money receipts, tender/quotation with CS & approval, Market/vendor verification for procurement, purchase process and consumption in respect of participants (for BLD).



- Corroborate & cross check all collected documents/evidences and statements for justifying the complaints at the end of each investigation during investigation.
- Prepare qualitative investigation report with standard format within 25 days from the date of complaint received.
- Submit final draft copy report within 2<sup>nd</sup> supervisor maintaining quality at highest level
- Submit final investigation report to GMU, HR along with the comments of CPO-HR & LD/Head of Investigation & Grievance Management within the stipulated time.
- Play a significant role at the office of Ombudsperson, Anti-corruption and civil court during hearing related to any investigation.

#### Analysis of Accounts related Investigation for the year 2014-16:

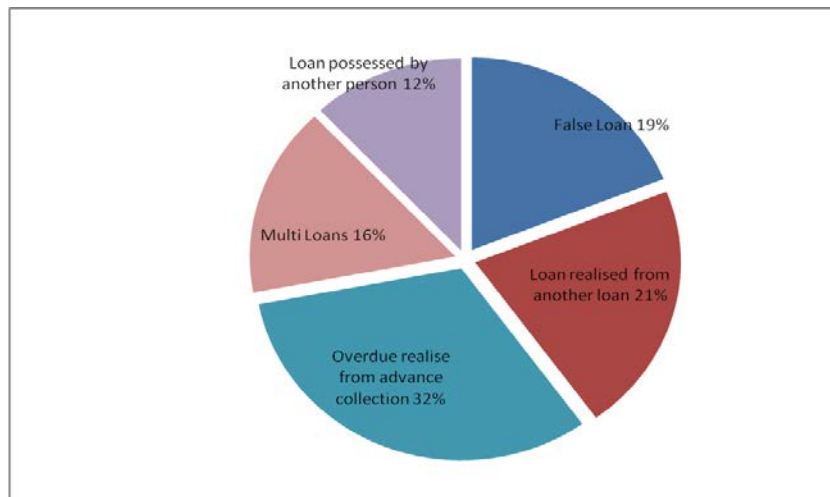


Collecting the data of previous year data the statistics shows that, 36% investigation proved due to shortage of stocks, 24% investigation shows short in cash in hand, 18% investigation happened due to double/excess bills and 22% investigation occurred due to false payment.

### Analysis of Different Program Related Investigation for the Year 2014-16:

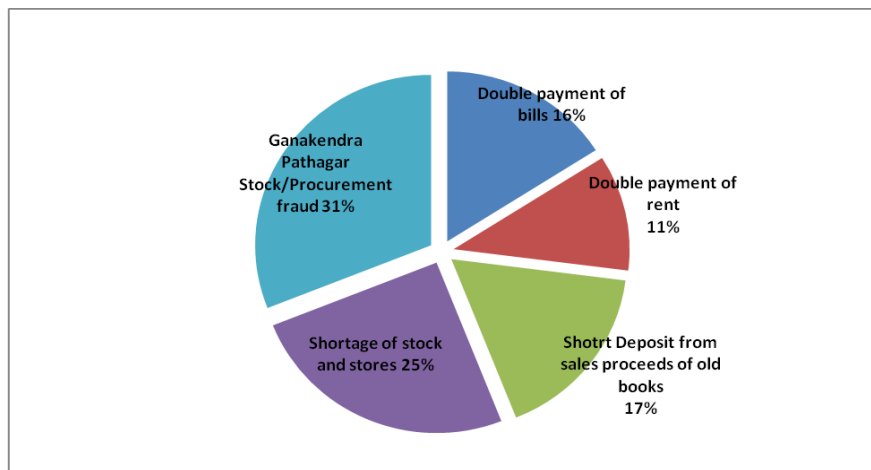
There are many programs and enterprises related investigation occurred in BRAC, those are given below:

#### Microfinance Related Investigation for the Year 2014-16:



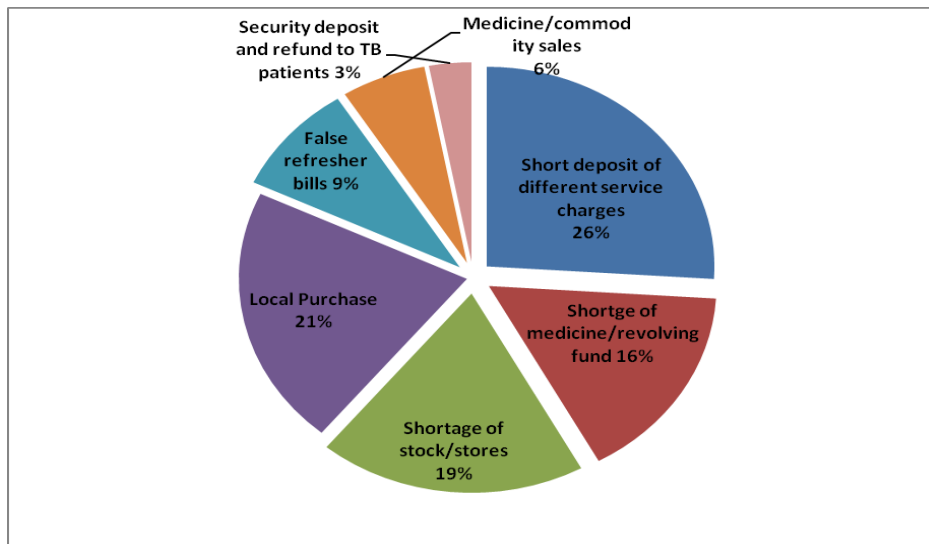
Statistics shows that 12% investigation occurred due to loan possessed by another person, 19% occurred for false loan, 21% Loan realized from another loan, 32% occurred for overdue realize from advance collection and 16% investigation proved for multi loans.

#### BRAC Education Program Related Financial Investigation for the Year 2014-16:



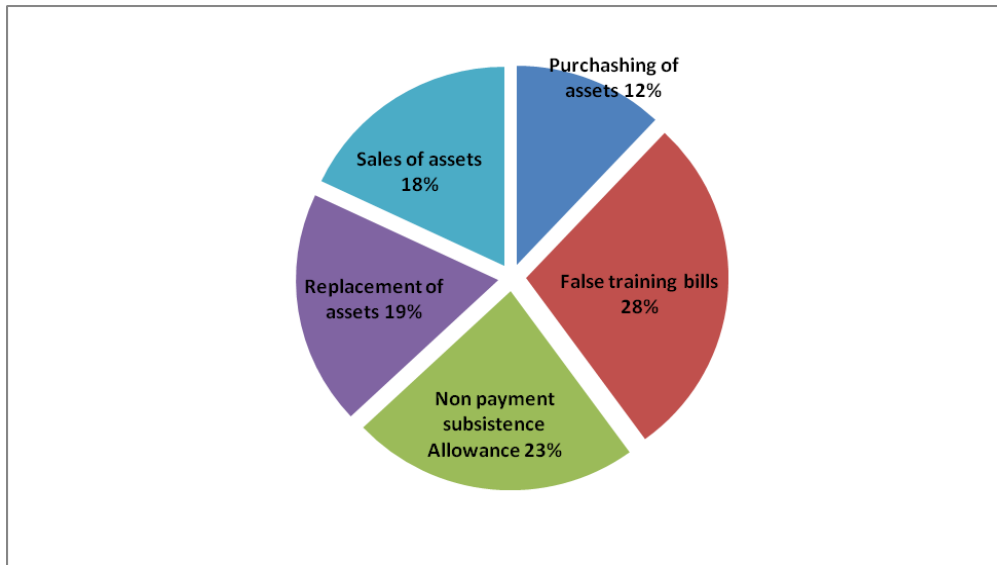
The statistics shows that 31% investigation was related to stock/procurement fraud related, 16% was related to double payment of bills, 11% occurred due double payment of rent, 17% occurred for short deposit from sales proceeds and 25% was related to shortage of stock.

**HNPP Related Financial Investigation for the Year 2014-16:**



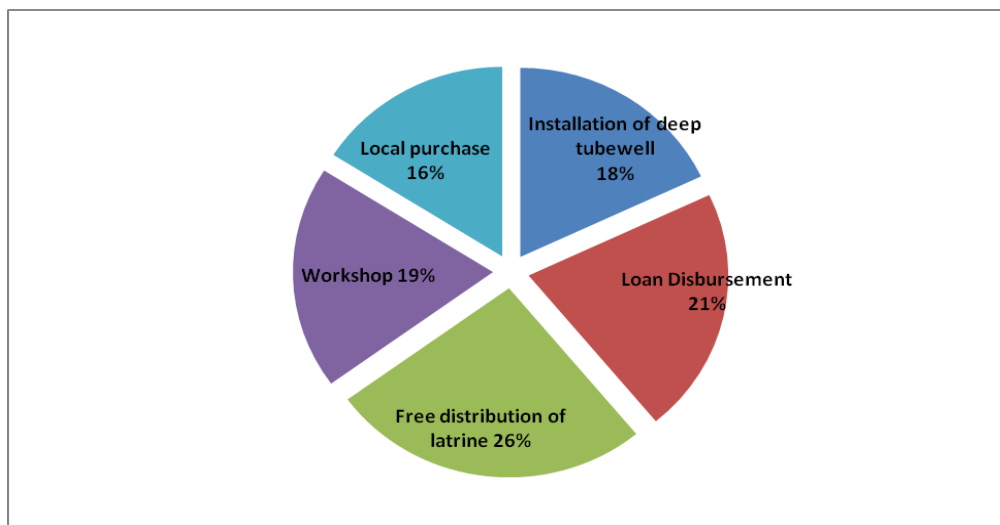
The findings shows that 3% investigation was related to security deposit, 26% was related to short deposit from service charges, 16% related to shortage of medicines, 19% was related to stock, 21% was related to local purchase, 9% investigation occurred due to false refresher/training bills and 6% occurred due to medicine/commodity sales.

**TUP Related Financial Investigation for the Year 2014-16:**



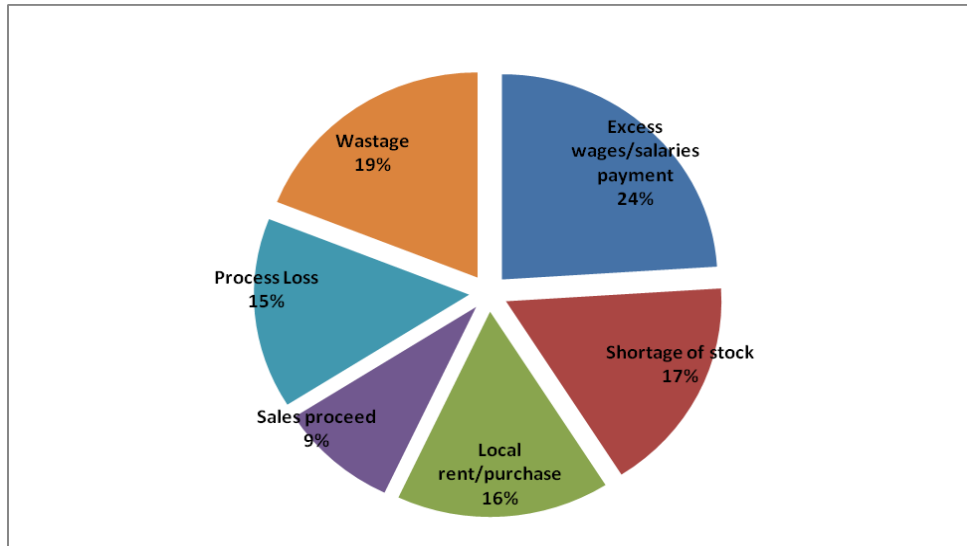
The findings shows that 12% investigation occurred due purchasing of assets, 28% occurred due to false training bills, 23% occurred for non subsistence allowance, 19% occurred for replacement of assets and 18% occurred for selling of assets.

**WASH Related Financial Investigation for the Year 2014-16:**



The statistics shows 18% of investigation occurred for installation of deep tubewell, 21% was related to loan disbursement, 26% was related to free distribution latrine, 19% occurred for false workshop bills and 16% was related to local purchase.

**Enterprises (Aarong, AAF, Poultry firm, Feed Mills, Cold Storage, BRAC Printers, Broiler Processing Plant, Etc) related financial Investigation for the year 2014-16:**



The statistics shows that 24% investigation related to excess wages/salaries, 17% related to shortage of stocks, 16% related to local purchase/rent, 9% was occurred for false sales proceeds, 15% occurred for process loss and 19% investigation occurred for wastage.

## Chapter: 06: Recommendation and Conclusion

### 6.1 Recommendation:

BRAC efficiently runs its operation through highest provision of transparency, discipline, accountability and systematic approach. But BRAC can make investigation procedure more efficient by following areas:

1. Though BRAC uses its own procedure to conduct investigation, it might introduce labor laws. The organization should find out the fact to smooth the business operations. It can encourage investigators to work with specific topic during a time frame rather depend on grievance.
2. BRAC should make each and every system through IT based to minimize the costs. So investigator can get exact information through the system.

### 6.2 Conclusion:

BRAC has created highest amount of accountability among the employees through monitoring, auditing and investigation department. Investigation report tries to find out the fact behind particular incident. But investigators responsibility is to create some value to make the report worthwhile. Every report gives the insightful ideas for entire business model and process through with BRAC's field level employees abided by. So, investigation report shows how each segment of BRAC's businesses plays role toward organizational goals and how business operations make sense. The crucial investigation report not only safe organization from losses but also creates some value to organization for sustainable development.

## Chapter: 07: References

### References:

1. [https://en.wikipedia.org/wiki/BRAC\\_\(NGO\)](https://en.wikipedia.org/wiki/BRAC_(NGO))
2. <http://www.pinow.com/investigations/corporate-investigations>
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