

TERRE DES HOMMES INTERNATIONAL FEDERATION INTERNATIONAL SECRETARIAT ANTI-FRAUD AND ANTI-CORRUPTION POLICY

PREAMBLE

Terre des Hommes International Federation / International Secretariat (**hereafter TDHIS**) anti-fraud and anti-corruption policy outlines its approach to the prevention and control of fraud and corruption, including the investigation procedures that will be followed if there are suspicions of fraud or corruption practices.

TDHIS conducts its business in an honest and ethical manner. As such, active risk reduction, fraud and corruption prevention measures, and periodic risk assessment are the most effective methods to ensure this.

TDHIS takes a zero-tolerance approach to fraud and corruption, in particular in the fields of human resources, procurement and finance management. It is committed to guarantying the proper management of all donated funds and to implementing and enforcing effective systems to counter fraud and corruption.

TDHIS is committed to preventing and dealing promptly and appropriately with fraud and corruption perpetrated by its personnel or against TDHIS in violation of codes and regulations and/or of applicable law.

Furthermore, all TDHIS employees, partners, consultants, contractors and suppliers are responsible for fraud and corruption, its prevention and its control. TDHIS will make them aware of this anti-fraud and anti-corruption policy, or related MOs policies, to ensure adherence as applicable.

I. GOALS

The purpose of the TDHIS anti-fraud and anti-corruption policy is to:

- prove the TDHIS commitment to ensure the correct use of its funds and intangible assets;
- set out TDHIS responsibilities, and of those working for/with it, in observing and upholding its position on fraud and corruption;
- provide information and guidance to TDHIS staff on to recognize and deal with fraud and corruption issues; and
- describe the reporting system of fraud or corruption suspicions.

II. DEFINITIONS

Proper implementation of the TDHIS anti-fraud and anti-corruption policy requires common understanding and shared definition of certain terms. For the purpose of this policy, the following capitalized terms shall have the meaning set forth below:

Terre des Hommes

International Federation

Active Bribery:	to offer, promise or give an employee, partner, agent or any other auxiliary of a third party, in the private or public sector, an Undue Advantage, in favour of that person or of a third party, in order that the person carries out or fails to carry out an act in connection with his/her activity which is contrary to his/her duty or dependent on his/her discretion.
Passive Bribery	to demand, secure the promise of, or accept, as an employee, partner, consultant, contractor or supplier, in the private or public sector, an Undue Advantage for himself/herself or for a third party in order that the person carries out or fails to carry out an act in connection with his/her activity which is contrary to his/her duties or dependent on his/her discretion.
Bribery:	both Active Bribery and Passive Bribery.
Corruption:	the abuse of entrusted power for private gain, including Bribery, Conflict of interests and Extortion. Annex 3 provides a non-exhaustive list of potential Fraud or Corruption practices.
Extortion:	the use of force or the threat of serious detriment or other restrictions of another's freedom to act in order to compel another to carry out an act, to fail to carry out an act or to tolerate an act.
Fraud:	any intentional act or omission designed to deceive others, including: <ul style="list-style-type: none">- the use of incorrect, incomplete, false or misleading statements or the concealment of information and resulting in the appropriation or retention of funds of TDHIS or of institutional donors,- the Extortion resulting in the appropriation or retention of funds of TDHIS or of institutional donors,- theft, and- the use of these funds for other purposes than those for which they were originally attributed, unless agreed to by the donor.
Manager	TDHIS employee assigned to a position in which he/she is responsible for the direct supervision of other TDHIS employee or for the management of a project, budget, facility, or location.
Normal and Appropriate Hospitality:	any advantage meeting the following requirements: <ul style="list-style-type: none">- its value is less than CHF 200.-;- it does not include cash or is equivalent to cash (such as gift certificates or vouchers);- it is not made with the intention of influencing or is able to influence the beneficiary to obtain or retain business/benefits or an advantage, or to reward the provision or retention of business/benefits or an advantage; and- it is not made in explicit or implicit exchange for favors or benefits.
Policy:	the present TDHIS anti-fraud and anti-corruption policy.
TDHIF:	Terre des Hommes International Federation.
TDHIS:	Terre des Hommes International Federation International Secretariat.

Undue Advantage

any advantage which is not foreseen in the contract between TDHIS and the employee, partner, contractor or supplier and is not a Normal and Appropriate Hospitality.

III. PERSONAL SCOPE

This Policy applies to all TDHIS employees, consultants, partners, contractors and suppliers. It also guides MOs to develop adequate Anti-Fraud and Corruption policies in case of their absence.

IV. RULES AND PRINCIPLES

TDHIS will apply the following principles:

- **Zero Tolerance:** TDHIS forbids all forms of Fraud or Corruption.
- **Transparency:** Employees, consultants and partners of TDHIS shall inform TDHIS of any Normal and Appropriate Hospitality they receive, or they make to a third person in the course of their activity for TDHIS.
- **Safety:** The zero-tolerance rule can only be overruled for reasons of employee and third-party safety.
- **Confidentiality:** Whistleblowers will be protected¹. All information on suspected Fraud or Corruption and yet unproven cases will be kept confidential.
- **Presumption of innocence:** Presumption of innocence will apply to Fraud or Corruption suspects.
- **Disciplinary Action:** If a Fraud or Corruption case is proven, the employee concerned will be disciplined and where necessary, reported to the authorities.
- **Information:** Where Fraud or Corruption is discovered, stakeholders will be informed in an open and transparent manner, whilst respecting the need to protect whistleblowers and the presumption of innocence.
- **Risk based approach:** stakeholders shall take appropriate measures to detect and report suspicions of Fraud or Corruption and frequent risks assessments shall be conducted in this regard in relation with the specific contexts and level of risks.

V. ROLES AND RESPONSIBILITY TO IMPLEMENT AND APPLY THIS POLICY

1. International Board of TDHIF shall:
 - Safeguard the organisations' interests.
 - Periodically review this Policy. The International Board of TDHIF and TDHIS shall ensure together that the implementation of the directives and procedures are respected and, if

¹ See also TDHIS Whistleblowing policy

necessary, periodically improve and review them. The International Board shall approve each revision.

Where needed, the International Board of TDHIF and TDHIS will take the required measures to protect employees from third-party pressure.

2. External Auditor

While the external auditor of TDHIS is not responsible for detecting corruption, if any cases of corruption or forms of fraud are detected in the cause of their audit work, they shall report it to the TDHIS Secretary General and/or his/her designees.

3. TDHIS shall:

- ensure the implementation of this Policy;
- ensure the adherence of employees, consultants, partners, contractors and suppliers to this Policy;
- ensure that there are no contradictory provisions between the TDHIS policy and those of its members.

4. Managers:

All TDHIS employees with a managing position shall ensure there are processes in place within their area of control to identify and assess potential risks of Fraud or Corruption, reduce such risks, promote awareness of this Policy among their subordinates and ensure the dissemination of this Policy to TDHIS partners, consultants, contractors and suppliers.

TDHIS employees with a managing position who fail to undertake the abovementioned measures may be held accountable as directly or indirectly tolerating or condoning improper activity.

5. Human Resources:

TDHIS human resources shall ensure that Fraud and Corruption prevention and control is incorporated in key human resource activities.

TDHIS human resources shall ensure that prospective employees present their criminal record (retrieved in the last 6 months) and that it is free from any offenses relating to financial crime, in particular of Fraud or Corruption. References will be requested from previous employers.

TDHIS human resources shall inform all TDHIS employees of the code of conduct and related policies, including this Policy. All new TDHIS employees shall receive such information during the recruitment process.

6. Employees:

TDHIS employees are also encouraged to pro-actively engage in fully implementing the policy.

TDHIS employees shall take appropriate measures to detect and report suspicions of Fraud or Corruption practices. TDHIS employees who fail to report any suspicions of Fraud or Corruption practices may be held accountable as directly or indirectly tolerating or condoning improper activity.

VI. ADHERENCE TO THIS POLICY

All TDHIS employees, consultants, partners, contractors or suppliers will be made aware of this Policy and its applicability.

All TDHIS employees, consultants, partners, contractors or suppliers are expected to know this Policy and to adhere to it thanks to the relevant contracting instruments:

- All TDHIS employees, shall adhere to this Policy directly or through a related applicable Code of Conduct.
- All TDHIS partners, consultants, contractors or suppliers shall adhere to this Policy by integrating the anti-corruption clause mentioned in Annex 2 in the relevant contracting instrument.

All TDHIS employees, consultants, partners, contractors or suppliers shall sign a version of this Policy through the relevant contracting instrument. The signed documents will be saved in the employees, partners, consultants, contractors or suppliers' file. The employees, partners, consultants, contractors or suppliers shall also receive a copy of this Policy.

VII. REPORTING MECHANISM

1. Favours the reporting of supposed Frauds or Corruptions:

In order to improve the efficiency of this Policy, it is essential that cases of supposed Fraud or Corruption be reported. TDHIS employees with a managing position should ensure that the working climate encourages the reporting of all cases of Fraud or Corruption and that employees can report such cases without fear of reprisals.

2. When to report Frauds or Corruptions:

Any person who suspects Fraud or Corruption in TDHIS activities are required to promptly report their suspicions through the channel described hereunder.

3. Channel to report supposed Corruptions:

Reports of supposed Frauds or Corruptions should be sent by emails at the following email address: concern@terredeshommes.org unless stated otherwise in this Policy. This email address is consulted by the Secretary General who shall decide on the following up measures.

Employees may also report suspected Frauds or Corruptions to their supervisor. The latter shall immediately inform the Secretary General, who shall decide on the following up measures. In case the report concerns the Secretary General, employees can refer to the complaint procedure as specified in the staff rules.

If the report relates to a member organisation of TDHIF, the report shall be communicated to a designated person within the concerned member organisation, and follow up ensured according to its own anti-corruption policy.

Unless a report is obviously made in bad faith, all reports communicated will be receivable and investigated.

4. Confidentiality of the reporting:

All reports are managed in strict confidentiality and are only disclosed to authorized individuals and investigators. Unless it is impossible to do otherwise, the identity of the whistleblower (i.e. the reporting person) will be kept undisclosed even during and after investigation.

In case of a reasonable fear of reprisals from the person(s) suspected to have committed a Fraud or Corruption, anonymous reports may also be acceptable.

TDHIS ensures that those who report in good faith any suspicions of Fraud or Corruption suffer no reprisals. In this regard, TDHIS Whistleblower Policy is applicable.

The person reporting in good faith suspicion of Fraud or Corruption shall not discuss the matter with anyone other than the person to whom the report is made.

5. Presumption of innocence:

TDHIS ensures that the suspects' reputations are not needlessly tarnished during the investigation of allegations.

Proven abuse of the process by raising false, vexatious or malicious allegations will be regarded as a serious breach of the TDHIS Code of Conduct and/or may result in disciplinary measures or legal action.

6. Fair investigation:

An investigation proportionate to the nature and gravity of the allegations will be led either by the International Board of TDHIF or by outsourcing this task under the responsibility of the International Board of TDHIF.

The International Board of TDHIF will ensure that the investigation is carried out independently, objectively, diligently and in a timely manner.

To ensure that all documentation relating to an alleged Fraud or Corruption is available for review in its original form, immediate action to prevent theft, alteration or destruction of all such documentation will be taken. Such actions may include, but are not limited to:

- Removing the documentation, computers, hard disk and any electronic data storage media from its current location and securing it in another location;
- Limiting access to the location where the documentation, computers, hard disks and any electronic storage media currently exists;
- Preventing the individual suspected of committing a Fraud or Corruption act from having access to the documentation, computers, hard disks and any electronic data storage media pending the investigation; and
- Obtaining urgent advice from a suitably qualified internal or external expert in connection with the handling of electronic documentation or media.

7. Preventive suspension:

The Secretary General of TDHIS may suspend suspected employees for the duration of the investigation. The sector chief must first be consulted. Suspension in this case is neither a disciplinary action nor a proof of guilt. It is simply used to facilitate the investigation.

8. Required disciplinary action if the Corruption is proven:

TDHIS employees found guilty of Fraud or Corruption will be subject to appropriate disciplinary actions.

Subject to correct application of Employment law, the following principles should be observed:

- Employees of TDHIS involved in serious cases will be dismissed immediately.
- Any recidivism will result in dismissal.

No disciplinary actions will be undertaken if the Fraud or Corruption is committed:

- To protect a predominant interest, for example when it is necessary to save someone's life; or
- With the prior written approval of the employee's superior within TDHIS, provided the mentioned superior did not benefit from the Fraud or Corruption case.

TDHIS employees, consultants, partners, contractors or suppliers found guilty of Fraud or Corruption will be subject to possible legal proceedings.

The decision relating to disciplinary measures and/or legal actions is to be taken by the Secretary General of TDHIS in consultation with the International Board of TDHIF.

9. Recovery measures:

The author of the Fraud or Corruption act shall be held responsible of the losses resulting from the Fraud or Corruption activity. TDHIS may seek to recover any losses resulting from the Fraud or Corruption activity using all means at its disposal, including civil or criminal legal action.

10. External communication:

TDHIS will share with external parties best practices on Fraud and Corruption prevention and control and, when necessary, information on how specific situations are addressed. No public statement or comment in relation to an alleged Fraud or Corruption practice may be made to the media except by TDHIS appointed authorised representative.

Employees, partners, consultants, contractors or suppliers shall refrain from sharing any information related to allegations of Fraud or Corruption to unauthorized individuals and refer any request for information to their supervisors.

Adopted by the TDHIF International Board on 11 July 2019

Annex 1 – Examples of potential Fraud or Corruption practices

This list encompasses examples of what might constitute Fraud or Corruption practices. It is not exhaustive and not all instances will upon investigation be proven to be Fraud or Corruption but may indicate where changed work practices are necessary:

- theft of supplies and equipment
- improper use of an TDHIS credit card
- improper use of TDHIS official stamp
- use of monies identified for specific program activities for unrelated programs
- false or excessive claim for expenses or allowance
- payment of salary or wages to a fictitious employee
- false work attendance record or timesheet
- submission of false sick leave document signed by a doctor
- not recording leave taken or the false classification of leave
- unauthorised payments to or transactions with related parties
- acceptance of offers, receiving or offering kickbacks or bribes for a preferential treatment
- payment for work not performed
- making or use of forged credentials and endorsements
- altering amounts and details on documents
- collusive bidding;
- overcharging;
- writing off recoverable assets or debts
- unauthorised transactions
- selling information
- altering donations, stocks and assets records
- cheques made out to false persons
- including false persons on the payroll
- unrecorded transactions
- transactions (expenditure/receipts/ deposits) recorded for incorrect sums
- cash borrowed without authorization or stolen
- supplies or equipment stolen or borrowed without authority
- substituting new goods for old
- manipulation of the procurement process, including undisclosed conflict of interest
- not recording donations wholly or partially
- make or use false official identification, including false email identification
- damaging or destroying documentation
- not disclosing all documentation
- using copies of records and receipts
- false invoicing, including using imaging and desktop publishing technology to produce apparent original invoices charging incorrect accounts in order to misappropriate funds
- deliberately delaying terminations from payroll
- running a private business with official assets
- using facsimile signatures
- false compensation and insurance claims
- stealing of discounts
- selling waste and scrap
- inappropriate or unapproved use of computer-generated signatures

Terre des Hommes

International Federation

- downloading of confidential information and/or source codes and forwarding this to an unauthorised party
- presentation of false documentation or statements about personal past experience, education or certificates / diploma
- inappropriate use of assets for personal purpose
- use of information for personal gain or advantage
- management override of an internal control