

Fraud & Corruption Prevention Policy

DNDi's Policies

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I. Preamble & Scope

DNDi has always been committed to the highest possible standards of openness, transparency, honesty and accountability, and is determined to maintain a culture of transparency and an opposition to fraud and corruption.

Based on this commitment, this “Fraud & Corruption Prevention Policy” (FCP Policy) outlines the principles to which DNDi is committed in relation to preventing, reporting and managing fraud, bribery and corruption. This policy reinforces our core values, by setting out the ways in which employees or members of the public can voice their concerns about suspected fraud or corruption.

This policy shall be considered in relation to other pillars guiding our conduct at DNDi, in particular:

- DNDi Code of Conduct
- DNDi HR Policy
- DNDi Procurement Policy
- DNDi Conflict of Interest Policy
- DNDi Policy on Research Misconduct
- Safeguarding Dispute Resolution Process

Recognizing that addressing fraud, bribery and corruption risks is a regular requirement for the allof business by all organizations, the Executive Director, the Executive Team and the Board of DNDi fully support the current Policy.

This policy applies to “DNDi members”, who fall into one of the following categories:

- All types of staff bound to DNDi, regardless of their place of work, as per the Staff classification ("DNDi Staff").
- Members of a governing body of DNDi and advisory committees (Board, Scientific Advisory Committee; DNDi Access Committee, Audit Committee, etc.) (“Members of a DNDi Body”).

In order to ensure a clear, achievable and relevant standard of ethical conduct for all activities and decision-making, all authorized signatories shall disclose their potential conflict of interests according to DNDi Conflict of Interest Policy.

This Policy shall be implemented immediately by DNDi Staff upon its approval by the Executive Team, and by all Members of a DNDi Body once approved by their relevant governing body. If necessary, an addendum shall be signed between DNDi and relevant local entities to reflect local requirements.

II. Definitions

Fraud: For purposes of this Policy, fraud is defined as the use of deception by an individual with the intention of obtaining an advantage for himself or herself or for a third party or parties, by avoiding an obligation, or causing loss to another party. The term fraud is used to describe offences such as, but not limited to, deception, extortion, theft, misappropriation, false representation, as well as concealment of material facts. This Policy is intended to apply to both internal and external fraud. Internal fraud is fraud committed directly against DNDi by a DNDi member. An external fraud is fraud committed against DNDi by an external party, for example the employees of a partner or supplier or criminals.

Some examples of fraud or fraudulent behavior include:

- Misappropriation of assets, embezzlement, and theft
- Payroll schemes, ghost employees, falsified wages
- Expense reimbursement schemes, mischaracterized expenses, overstated expenses, fictitious expenses, multiple reimbursements
- Billing schemes, personal purchases

NB: This is not an exhaustive list. If you are in doubt about the seriousness of your concern, advice and guidance can be sought from the FCP Committee (see below).

Bribery and Corruption: For purposes of this Policy, bribery concerns the practice of offering something of value, usually money, to gain an illicit advantage and corruption is an abuse of a position of trust in order to gain an undue advantage.

Some examples of bribery and corruption behaviors include:

- Payment or receipt of bribes
- Kickbacks or other inappropriate payments
- Participation in sham or fraudulent transactions, Billing schemes, Shell Company

NB: This is not an exhaustive list. If you are in doubt about the seriousness of your concern, advice and guidance can be sought from the FCP Committee (see below).

III. Policy

A. Prevention

DNDi members conduct themselves with integrity and demonstrate awareness of the importance of ethical practices in their day-to-day work. DNDi will not tolerate any level of fraud, bribery, or corruption.

Everyone in DNDi has a responsibility as well as an obligation to contribute to the management of fraud, bribery, and corruption risks. Any detected case will be thoroughly investigated, with disciplinary or criminal sanctions pursued where appropriate and possible, and losses will be recovered by any lawful means.

DNDi is also committed to ensuring that opportunities for fraud are reduced to the lowest possible level of risk; effective internal controls are maintained to prevent fraud, and systems and procedures are reviewed and improved following detected cases of fraud. The DNDi prevention mechanism is articulated around 4 principles:

- A Culture of Honesty and Ethics
- Risk Management and Internal Control Capabilities
- Awareness Raising and Training
- A clear Oversight Process (see section IV - Roles & Responsibilities)

Third parties: DNDi will systematically aim at engaging its contractors and consultants to comply with FCP good practices. With respect to specific jurisdictions or origin of funding, such engagement can be obtained through, for example:

- Declaration of compliance prior to contract signature (against fraud, money laundering, etc.)
- Inclusion of a compliance clause in the contract

B. Reporting

Individual rights & duty to report trustfully

DNDi members are trained on the potential for fraud, bribery and corruption (together referred hereunder by “fraud”) and individually declare their understanding of the terms of the policy (declaration in Appendix 1).

DNDi members should report any reasonably suspected fraud and present any available supporting evidence to relevant reporting person (see 2& 3 below).

When the latter is suspected to be involved in the fraud, they shall be excluded from the reporting and investigation process; reporting shall be escalated to their supervisor – potentially up to the Chair of the Board (and for the latter, reporting shall be made to the Chair of the Audit committee). In case of obstruction or unnecessary delay in dealing with a situation, reporting shall be made to the supervisor or another person of the FCP Committee.

Anyone reporting a potential fraud must act in good faith and have reasonable grounds for believing that the information disclosed constitute a potential fraud. For DNDi Staff

Reporting shall be made:

- through the use of a dedicated reporting mailbox (ethics@dndi.org – see section V-*key contacts* for the list of recipients), or
- through the DNDi’s Integrity Line ([DNDi Integrity Line | DNDi](#)), an online whistleblowing platform that can be used for the anonymous reporting of misconduct in connection with DNDi projects.
- to the relevant line manager or member of the Executive team who informs the Strategy & Operations Director, the Finance & Planning Director, the Director of HR & Organization or Director of Legal Affairs.

For significant matters (e.g >€5.000 and/or potentially involving litigation/criminal prosecution and/or potentially damaging DNDi reputation – thresholds shall be adjusted by the Executive Committee), as well as for situations directly involving DNDi Directors and Heads, the Executive Director must be consulted by the Strategy & Operations Director.

For Members of a DNDi Body, Executive Director and Friends

The Chair of the Board and the Audit Committee shall be consulted for all cases involving a Member of a DNDi Body, the Executive Director, and a Friend of DNDi. The Chair of the Board and/or the Chair of the Audit Committee, they consult with the Executive Director and can request investigation and advice from the FCP Committee.

C. Case Characterization

Fraud and Corruption Prevention Committee

As a matter of principle, at least two persons need to decide how to handle the case. It is proposed to set up an FCP Committee with the relevant people. Once an alleged fraud is reported, the FCP Committee will determine whether the report has sufficient substance to undertake an investigation and whether the case can be dealt with internally, or whether and what external involvement is necessary.

For DNDi Staff, the Strategy & Operations Director sets up the FCP Committee to deal with specific cases, which is composed by some or all of the following persons

- Permanent members: the Strategy & Operations Director, the Finance & Planning Director and the Director of Legal Affairs
- Optional members:
 - The line manager, member of the Executive team
 - The Executive Director, for any significant situation (as described above, cf. B.2)
 - The Director of HR & Organization
 - Any other relevant person deemed necessary to ensure independence and effectiveness of the committee.

For Members of a DNDi Body, Executive Director and Friends, an ad hoc FCP Committee shall be set up:

- Permanent members: The Chair of the Board, the Chair of the Audit Committee and the Executive Director
- The chair of the consultative body (e.g. SAC) if one of its members is involved
- Support from the Strategy & Operations Director, the Finance & Planning Director and the Director of Legal Affairs, or any relevant person deemed necessary to ensure independence and effectiveness of the committee.

D. Case Investigation

Investigations will be conducted under the leadership of the FCP Committee, without regard to any person's relationship to the organization, position, or length of service. Investigations will be carried out in complete independence, objectivity, and confidentiality. The name of the person that reported the suspected fraud will be kept confidential. The suspected perpetrator of fraud will be given the opportunity to be heard.

The Finance & Planning Director will keep records of all actions in the investigation, to ensure success in any future criminal, civil or disciplinary action.

The Chair of the Board will be informed of any significant issues. Similarly, the Audit Committee will be provided, each semester, with a synthesis of cases and investigations that have occurred.

E. Case Management

Where an investigation confirms that an illegal act of fraud was committed, DNDi will take **immediate steps to mitigate potential loss of DNDi/s reputation** and credibility with donors and partners who are involved in funding or delivering work in the particular context in question. The Executive Director shall disclose the details of the significant fraud (nature of the fraud, amount, and corrective measures) to the partner and/or donor as well as to the External auditors in a timely manner and with great care to be transparent and responsible, without communicating the name of the perpetrator.

Where DNDi has suffered pecuniary loss or loss of other material assets, efforts will be made to seek **restitution** from the individual(s) responsible for the fraud.

In case of substantiated fraud, DNDi will pursue **disciplinary, legal action**, and criminal prosecution if appropriate.

Following a case of fraud, the Strategy & Operations Director will ensure that all DNDi Staff in the affected area are **debriefed** on the process and outcome of the investigation. The individual(s) who reported the initial suspicion of fraud will also be informed to provide assurance that their claims have been taken seriously.

A thorough review of operating procedures in the areas affected by the fraud will be performed and **lessons learned** will be disseminated throughout the organization.

It is DNDi's policy to protect all DNDi Staff from reprisal, retaliation or other adverse action when reporting alleged acts of fraud if such reporting is done in good faith and with reasonable grounds for suspicion. Conversely, DNDi will protect the position and reputation of the person(s) falsely suspected of fraud.

See Appendix 1 for an overall FPC process chart.

IV. Roles and responsibilities

The **Board** approves the policy. The *Chair of the Board* and the **Audit Committee** are informed of any significant fraud and consulted for any fraud involving a Member of a DNDi Body (as per DNDi by-laws) and for situations involving the Executive Director.

A. The Executive Director

- Sets the vision and the overall tone to reinforce the message that fraud, bribery and corruption is not tolerated in DNDi and provides strong support to the Strategy & Operations Director and to the Director of Legal Affairs in the implementation of the Policy.
- Reports any significant event related to this Policy to the Chair of the Board and the Chair of the Audit Committee as appropriate.
- Consults with the **Executive team**, who sets the levels of significance of frauds and approves the policy for DNDi Staff.

B. The Strategy & Operations Director

- Responsible for implementing the FCP Policy.
- Coordinates risk management at DNDi and responsible for establishing mechanisms to investigate suspected fraud.
- Receives reports of fraud from DNDi Staff or third parties and provides guidance to the Finance & Planning Director in determining the scope of the fraud and contacting external experts or legal authorities.
- Ensures that vigorous and prompt investigations are carried out without delay with timely follow-up and strengthening of preventive measures.
- Consults with the Executive Director and/or the line manager of the suspected perpetrator of fraud to assess facts, risks, and response.
- Responsible for taking appropriate measures in case of frivolous or bad faith allegations.
- Ensures proper measures are taken to raise awareness about fraud, together with the Head of IST, Finance & Planning Director and with the support of the Director of HR & Organization.

C. All Line Managers (in Geneva and Regional Offices)

- Responsible for assessing the risks, including but not limited to fraud risks, involved in their area of responsibility.
- Ensure that an adequate system of internal control exists and operates to address these risks.
- Encourage DNDi Staff to report reasonable suspicions of fraud, treating all allegations seriously, and promptly reporting allegations to the Strategy & Operations Director.

D. The Finance & Planning Director

- Promotes the deterrence and prevention of fraud by evaluating the effectiveness of internal controls, and reporting periodically on their adequacy to the Strategy & Operations Director, to the Director of Legal Affairs and to the Audit Committee.
- Conducts internal investigations, in case of fraud detrimental to DNDi, including gathering evidence, conducting interviews, and writing reports on investigations.
- Keeps records of any allegations made, any subsequent actions taken, and the ensuing result.
- Proposes changes to the system of internal controls, subsequent to a case of fraud to evaluate their efficiency and effectiveness.

E. The Director of Legal Affairs

- Provides guidance to the Strategy & Operations Director and the Finance & Planning Director on the course of action to be taken, the involvement of external experts or legal authorities, and the conduct of investigations.
- Communicates with and manages external criminal lawyers engaged in the particular jurisdictions in which cases of fraud arise.

F. The Director of HR & Organization.

- Conducts internal investigations, in cases of fraud not detrimental to DNDi, including gathering evidence, conducting interviews, and writing reports on investigations.
- Keep records of any allegations made, any subsequent actions taken, and the ensuing result.
- Consults with the Strategy & Operations Director regarding the appropriate disciplinary action to be taken against the perpetrators of fraud and supervisors whose failures have contributed to the commission of fraud or those who have made frivolous or bad faith allegations.
- Ensures that more detailed reference checks are carried out in recruitment processes for staff positions that may be more vulnerable to opportunities for fraud (handling money, procurement, etc.).
- Ensure, with the colleague's support, that staff knowledge of this Policy is sufficient, and that appropriate training is provided. File individual declarations.

G. The head of IST

- Ensure appropriate training and cyber security measures are put in place.
- Manage attempt of fraud and phishing => Report targeted cases to the National Cyber Security Center if recommended by the FCP Committee.
- IST Servicedesk mail box and team is the first point of contact in case of suspicion of cyber fraud.

H. Other roles

All **DNDi members** conduct themselves lawfully and properly in the use of DNDi resources. They remain alert to the possibility of fraud and report reasonably suspected fraud via the channels describe in this Policy section B.2).

They should report a fraud attempt through electronic channel to the Head of IST and to the service desk.

Additionally, they sign and accept this Policy as an integral part of their contract or engagement letter with DNDi.

Table 1. Synthesis of FCP Reporting and Management

	<u>Step 1:</u> Reporting	<u>Step 2:</u> Case characterization		<u>Step 3:</u> Case Management		<u>Step 4:</u> Case closing	
Suspected Perpetrator of fraud or illegal act	Handling Instance	Handling Instance	Informed	Handling Instance	Informed	Handling Instance	Informed
Members of BoD, Gov. Committees, Exec Director	Chair of BoD / Chair of Audit Committee / Chair of committee + Exec Director	ad hoc FCP Committee	Audit Committee + Dir Legal, Dir Finance, Dir Ops				
Directors and/or major impact	Executive Team Member (line manager) + Exec Director + Dir Ops / Dir Finance / Dir Legal	FCP Committee, including Executive Director	Audit Committee	2 FCP committee members + relevant expertise	BoD, Audit Committee	FCP Committee	BoD and relevant consultative committees + External auditor and relevant third parties
Other DND/ staff and/or minor impact	Executive Team Member (line manager) + Dir Ops / Dir Finance / Dir Legal	FCP Committee, including HR	Executive Director				Executive Team

V. Key Contacts

According to the principles set above, reporting shall be made to the following persons:

Title	Name	e-mail address
Reporting Mailbox	Strategy & Operations Director, Finance & Planning Director, Director of Legal Affairs, Director of HR and Organization	ethics@ndi.org
Integrity Line - DNDi Integrity Line DNDi	Finance & Planning Director, Head of Finance and control	
IST service desk		adminit@ndi.org

VI. Appendices

Appendix 1: Overall FCP Process

