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GENERATION HUMANAIRE

**FRAUD
CONTROL
POLICY**



**Anti-fraud, corruption
and conflicts of interest policy**

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Introduction

The aim of this policy is to help prevent and detect cases of fraud, corruption and conflicts of interest, and to set out TGH's planned response to any suspected or proven cases.

TGH takes a zero-tolerance approach to any form of fraud, corruption and conflicts of interest, and this approach guides its procedures in terms of human resources, finance and logistics; this document is a supplementary tool and must therefore be read in conjunction with other TGH guidelines and policies, especially:

- TGH Code of Conduct
- Anti-terrorism, money-laundering and other criminal activities policy
- Prevention of exploitation and sexual abuse policy
- Child safeguarding policy
- Personal data protection guidelines

This document constitutes a clear and transparent declaration of TGH's commitment to doing its utmost to guarantee the appropriate management of the funds entrusted to it, in particular by preventing any fraudulent use of any kind whatsoever. By combating fraud, corruption and conflicts of interest, TGH also aims to protect its beneficiaries, employees, partners and suppliers, who are all likely to suffer direct harm from the consequences of any wrongdoing.

As well as infringing the principles upheld by TGH, cases of fraud, corruption and conflicts of interest can have serious consequences, both economic (financial losses and loss of donor confidence) and human (loss of resources earmarked for assistance, and disorganisation and unhappiness at work). In addition, fraud, corruption and conflicts of interest can have repercussions in terms of reputation and acceptance, and to this extent represent potential risks to the security of our personnel.

Scope

This policy applies to all employees at headquarters and in the field, including members of the governing bodies, regardless of their status or seniority; to suppliers of goods and services, including consultants; to volunteers

and interns; and to partner implementing organisations. This policy must be followed and applied in all countries in which TGH operates, regardless of any less restrictive local legislation.

Definitions

Fraud

TGH defines fraud as the deliberately wrongful and dishonest use of the organisation's resources, and the contravening of any rule relating to its assets.

These offences include but are not limited to the following behaviours:

- Theft of funds or any other TGH property, either tangible or intangible;
- Forgery or the creation of any fake document or records, identity theft, forged signature or manipulation;
- The destruction or disappearance of accounting or logistics documents;
- Personal appropriation of TGH property;
- Misappropriation of funds.

Corruption

While fraud can be committed unilaterally by an individual or group of individuals, corruption implies a "transaction" and a *quid pro quo*, either in financial terms or in the form of favours or benefits. As a result, corruption can be manifested by seeking, promising, offering, giving or accepting an undue advantage, either as money or in kind, with the aim of changing the behaviour of a third party (active corruption) or obtaining a benefit (passive corruption).

Using power for purposes other than those for which it was granted, abuse of power or abuse of a position of trust are also aspects of corruption.

Gifts offered or received by third parties are acceptable on the express condition that:

- They are of low value;
- They are not recurring;
- They cannot, under any circumstances, influence or even appear to influence a contractual or commercial decision

Any gift that does not meet these criteria must be refused unless refusal would result in a security risk, in which case the gift must be dealt with transparently and declared to the individual's line manager.

Conflict of interest

A conflict of interest arises when a personal interest interferes with the completion of a professional or commercial task with the capacity to influence that task and undermine full compliance with the principles and rules that should govern it.

TGH staff, its partners and suppliers must ensure that their personal interests do not come into conflict with their duties. It is their responsibility to avoid such conflicts, whether they are actual, potential or likely to appear so.

Any potential conflict of interest must be declared in detail, particularly if there is a family relationship between a member of staff and a provider of goods and services bidding for a contract, a civil servant or a partner who is a stakeholder in implementing a programme or an applicant for a job with TGH. Any failure to declare a conflict of interest will be regarded as fraudulent and is subject to sanctions.

Prevention and treatment

Publicity

This policy is publicised in every possible way:

- Every member of TGH staff must be aware of the policy and accept its principles and terms; the contract of employment signed by staff refers to this explicit obligation and the contractual nature of this policy
- The policy is visible to all, in all TGH premises; it is translated into every lingua franca required
- Awareness-raising posters are systematically displayed in all premises and mention the possibility of contacting **stopfraud@trianglegh.org** to report any proven or suspected cases.

Prevention and detection mechanisms

TGH has developed mechanisms aimed at limiting cases of fraud, corruption and conflicts of interest, such as:

- Implementation of appropriate controls, notably accounting controls, regular checks and internal audit missions
- Strict separation of tasks, on the one hand between those who set up payment accounts and those who are authorised to use them, and on the other between orders and invoice payments
- Full adherence to TGH purchasing procedures, which are designed to prevent and limit cases of fraud
- Clear responsibility and authorisation matrix
- Giving responsibility to staff and providing ongoing training on TGH controls and procedures
- Identification of risk factors throughout the project or programme cycle and at every stage of the supply chain, and implementation of appropriate counter measures
- Implementation of evaluation procedures for TGH partners, including due diligence requirements, particularly with regard to their anti-corruption and anti-fraud measures
- Maintenance of respectful and transparent relationships with all stakeholders – beneficiaries, authorities, partners and suppliers, as well as within teams; highlighting of positive examples.

Reporting mechanisms

TGH staff and the other entities mentioned in the first paragraph of this policy must report any evidence, allegation or suspicion of fraudulent activity concerning TGH, of which they become aware in relation to or while carrying out their duties, to their line manager. Any line manager who is approached in this way must encourage the whistleblower to submit a report to the dedicated address: **stopfraud@trianglegh.org**, or if necessary, submit their own report of the facts concerned via the same address.

TGH provides a generic email address so that cases can be referred to the TGH headquarters and so that any complainant or whistleblower is able to act entirely anonymously and in complete confidentiality, if necessary, in order to address any concerns they may have in this respect that would discourage them from referring any suspected fraud to TGH, as they are obliged to do.

The address **stopfraud@trianglegh.org** is also available to all partners, suppliers and other stakeholders. It is publicised in every possible way, on posters and in references in various contractual documents. The address **stopfraud@trianglegh.org** can also be used to redirect complaints received through other means, such as oral feedback, emails or another reporting mechanism (e.g. complaint and feedback mechanisms made available to beneficiaries).

An email response is sent by **stopfraud@trianglegh.org** on receipt of a complaint. This response:

- informs the sender of the likely time frame required to examine their report and how they will be informed of any next steps
- details the procedure to follow in the case of suspected corruption
- asks for additional information, if necessary, to clarify and assess the complaint

The complaint will be managed either locally, nationally or at TGH headquarters, according to the assessment made. This assessment is carried out by the two people who receive information on cases referred through stopfraud – the Finance Director and the Management Control and Audit Manager – who analyse the severity of the facts reported and, if necessary, set up a crisis management group, also including the Operations Director and the regional manager for the country concerned. This group will decide on the next steps (terms of the investigation, any preventive measures, notification to third parties, etc.).

Any case or suspicion reported must be examined and feedback provided on its conclusion, regardless of the nature, severity or reality of the situation.

Whistleblowers can express their suspicions without fear of reprisals and with the assurance that their interests will be protected. Any allegation of fraud and corruption will be treated in the strictest confidentiality.

Sanctions

If any fraudulent or corrupt behaviour is proven, a disciplinary process will be launched, managed by the Human Resources department, along with an action plan to recover the misappropriated assets. The appropriate measures to be taken against the perpetrator of the presumed fraud will be determined and implemented jointly by the Country Director and TGH head-

quarters, in accordance with the provisions set out in the anti-fraud policy. These actions, which must comply with the relevant national legislation, may include:

- *For staff:* immediate termination of their contract (in accordance with the laws in force in the country concerned), compensation for the harm suffered / compensation for losses and legal proceedings.
- *For suppliers:* immediate termination of the contract, legal proceedings, permanent ineligibility for other contracts, notification of the fraud to other agencies, donors, local authorities and representatives of international bodies.
- *For partners:* immediate termination of the partnership, legal proceedings, permanent ineligibility for other contracts, notification of the fraud to other agencies, donors, local authorities and representatives of international bodies.
- *For any other third party without a direct contractual commitment:* notification of the fraud to other agencies, donors, local authorities and representatives of international bodies.



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