

Anti Corruption Policy

Table of Contents

1.	Introduction	3
1.1.	What is Corruption and why does it Matter?	3
1.2.	Oxfam Novib Takes Action to Fight Corruption	5
2.	Oxfam Novib does Not Tolerate Corruption	6
2.1.	A Zero Tolerance Policy towards Bribery	6
2.2.	Strong Policy against Other Types of Corruption	7
3.	Everyone is Responsible	8
3.1.	Employees Responsibilities	8
3.2.	Managers Responsibilities	9
3.3.	Director Responsibilities	9
3.4.	Counterparts Responsibilities	10
3.5.	Oxfam Novib Whistleblower Policy	10
3.6.	Grievance Procedures	10
4.	Suspected Cases will be Thoroughly Investigated	11
4.1.	Process for Investigation and Fraud Register	11
4.2.	Consequences	11
5.	Additional Policy and Procedure for Countering Corruption	12
6.	Colophon	14

1. Introduction

This policy sets out Oxfam Novib's commitment to the prevention and detection of corruption.

The scope of this policy applies to all Oxfam Novib's employees and volunteers and members of the supervisory council. The principles and definitions in this policy also extend to relationships with external organisations (including, without limitation, implementing partners, contractors, other Oxfam affiliates, consultants, suppliers, co-applicants and consortium partners). In the cases in which Oxfam Novib is the funding (or paying, in the case of suppliers and consultants) party Oxfam Novib actively seeks implementation of an anti corruption policy of the supported organisations.

For our co-applicants the principles of this policy are translated into the contracts.

In cases of proven corruption at donors or suppliers Oxfam Novib will end the relation

1.1. What is Corruption and why does it Matter?

Oxfam Novib defines corruption as *the abuse of entrusted power for private gain*. Common forms of corruption include *bribery, extortion, fraud or embezzlement*, but also any kind of *favouritism* and *nepotism* are manifestations of corruption (see also examples in section 5, Table 1 of this document).

From a donor perspective, corruption *diverts resources away* from social sectors and poor people. Corruption also *limits the development and economic growth* of a country, and *perpetuates the unequal distribution of power, wealth, and resources*. While corruption impacts

negatively on most segments of society, people living in poverty lack the economic, social, and political power necessary to challenge corrupt practices and are more vulnerable than most to extortion, bribery, double standards, and intimidation.

1.2. Oxfam Novib Takes Action to Fight Corruption

Both to guarantee that donors money are well spent, and to live up to principal reasons stated in the previous section, Oxfam Novib is committed to fight all types of corruption, both within our own organisation (including volunteers) and within counterpart organisations

Oxfam Novib lives up to this commitment by:

- setting out a clear policy against bribery and other types of corruption (see section 2)
- holding employees and counterparts accountable for reporting suspected cases of corruption, and providing them with suitable channels of communication and ensuring sensitive information be treated appropriately (see section 3)
- rigorously investigating instances of alleged bribery and taking firm and vigorous action against any employee or counterpart involved in proven corruption (see section 4)
- maintaining and enforcing additional policies and procedures for countering corruption within identified risk areas (see section 5)

2. Oxfam Novib does Not Tolerate Corruption

Oxfam Novib will not tolerate any type of corruption including bribery, nepotism, fraud or any other type of corruption as defined in section 1.1.

2.1. A Zero Tolerance Policy towards Bribery

OxfamNovib affirms its commitment to ethical behaviour and has a no tolerance policy towards bribery.

Oxfam Novib prohibits:

offering, giving, soliciting or accepting any bribe, whether cash or other inducement,

to or from

any person or organization, wherever they are situated and whether they are a public official or body or private person or organization,

by

any individual employee, agent or other person or body acting on Oxfam Novib's behalf

in order to

gain any contractual or regulatory advantage

with the objective of

gaining any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

Clarification of scope

Oxfam Novib recognizes that practices vary across cultures and that behaviour which is seen as inappropriate in one circumstance may be deemed appropriate in another.

This policy is not meant to prohibit the following practices provided they are customary in a particular culture, are proportionate and are properly recorded:

- normal and appropriate hospitality
- the giving or receipt of a ceremonial gift of nominal value
- the use of any recognized fast-track process which is available to all on payment of a fee
- the offer of resources to assist the person or body to make the decision more efficiently provided they are supplied for that purpose only.

Decisions as to what is acceptable may not always be easy. If anyone is in doubt as to whether an act or potential act constitutes bribery, the matter should be referred to the appropriate (line)manager as soon possible

Regarding suppliers, gifts, entertainment, favours or services from them should be avoided (*see Procurement Policy and Code of Conduct*).

2.2. Strong Policy against Other Types of Corruption

In addition to a Zero Tolerance Policy towards Bribery, Oxfam Novib will neither accept any other type of corruption or fraud like behaviours, such as may arise from conflicting personal interests, or illegal activities such as intentional deception made for personal gain.

This is regulated in Policies, Contracts or in Dutch and local laws. See section 3 to 5 of this document for specific details.

3. Everyone is Responsible

All employees of Oxfam Novib, or people working on behalf of Oxfam Novib, and people working within partner organisations, are responsible for reporting suspicion of fraud or corruption. In addition to the specific responsibilities listed below, all employees should also adhere to Oxfam Novib's *Code of Conduct*, which provides guidance on our core values and commitment to transparency and accountability

3.1. Employees Responsibilities

All employees and volunteers are responsible for:

- Acting with propriety in the use of Oxfam Novib's assets and resources;
- Alerting their line manager where they believe the opportunity for fraud or corruption exists. Employees should report to their line manager:
 - any suspected or actual fraud or corruption;
 - any suspicious acts or events which might give rise to a suspicion of fraud or corruption;
- If for any reason a member of staff does not feel able to report a suspected fraud or corruption to their line manager, he/she should inform a more senior manager or the Director of Operations. Staff should refer to the Whistle Blowing Policy (see section 3.4) for guidance where they do not feel able to report suspected fraud or corruption to line management, or are not satisfied that their concerns have been addressed;
- Assisting in any investigations by making available all relevant information and by cooperating in interviews.

3.2. Managers Responsibilities

The day to day responsibility for the prevention and detection of fraud and corruption rests with the line managers who are responsible for:

- Identifying the risks to which systems, operations and procedures are exposed
- Developing and maintaining effective controls to prevent and detect fraud and corruption
- Ensuring that controls are being complied with
- Report suspected cases in the balanced scorecards

3.3. Director Responsibilities

- Establishing the internal control system designed to counter the risk of fraud and corruption, and ensuring the adequacy and effectiveness of this system
- Ensuring that arrangements are in place for investigation of all suspected and alleged fraud or corruption
- Assure that there is a record of fraud and corruption cases which is properly maintained
- Where there is a significant risk to Oxfam Novib's reputation promptly reporting all cases of fraud and corruption to the Executive Director and Quality and Control department, as well as carrying out investigations into suspected or alleged fraud and corruption. The executive director will inform the Supervisory Board.

3.4. Counterparts Responsibilities

Counterpart must provide a detailed overview of the income and expenditures related to the project funded by Oxfam Novib and also actively report any suspected fraud or corruption. Counterpart's obligations are detailed further in *Oxfam Novib's General Terms and Conditions*.

3.5. Oxfam Novib Whistleblower Policy

Oxfam Novib's *Whistleblower Policy (Klokkenuidersregeling)* is a procedure for reporting an abuse or suspected abuse within the sphere of Oxfam Novib, in which a public interest is at stake. The procedure also applies to reporting any kind of (suspected) corruption as described within the section 1.1 of this document.

Within Oxfam Novib's management philosophy great importance is given to transparency and accountability. The internal reporting of abuse is seen as a contribution to improving the functioning of Oxfam Novib and the desired transparency. Employees who in good faith report an abuse must be protected against unfair treatment.

3.6. Grievance Procedures

All stakeholders can approach Oxfam Novib with their grievances, including complaints related to possible cases of fraud or corruption. Oxfam Novib has a grievance regulation for Counterparts and consultants, for private donors and the general public. For staff members the procedure is specified in the *Collective Labour Agreement (CLA)*

4. Suspected Cases will be Thoroughly Investigated

Oxfam Novib commits to maintaining procedures for investigating and retaliating suspected cases of corruption or fraud.

4.1. Process for Investigation and Fraud Register

Oxfam Novib has a procedure in place for how to handle suspected cases of fraud and corruption.

Oxfam Novib Employees

For Oxfam Novib Employees a procedure for investigating suspected cases of misconduct is handled in the *Collective Labour Agreement (CLA)*

Counterparts

The *Protocol and Procedures for Unlawful Expenditures* (see Chapter 19 of the Manual Core Processes) handles the protocol and procedures for actions to be taken on receiving information about or when suspecting the possibility of unlawful expenditures by counterparts of Oxfam Novib. This protocol also describes how Oxfam Novib *Fraud register* should be maintained (a register where every suspected case of fraud is registered).

4.2. Consequences

Oxfam Novib takes any indication of attempting to commit an act of fraud or corruption by employees, volunteers, related and external organisations very seriously.

Oxfam Novib Employees

Employees and volunteers involved in fraud and corruption of any kind will be subjected to disciplinary action within the organisation such as (but not limited to); suspension, dismissal or be reported to external

authorities for criminal prosecution. *See Collective Labour Agreement (CLA)*

Counterparts

For counterparts possible consequences such as dissolution of the Financing Agreement and legal actions are stated in *Oxfam Novib's General Conditions* (See Specifically Section 8. *Final provisions*)

5. Additional Policy and Procedure for Countering Corruption

In addition to what has been described in the previous sections of this document, Oxfam Novib has also identified additional critical Policies and Procedures for mitigating corruption.

In Table 1, these Policies and procedures are grouped by selected *Corruption Risk Areas*, and also typical examples of Corruption are given (see Table 1).

Table 1: Additional Supporting Policy and Procedures by Main Corruption Risk Area

Main Corruption Risk Area	Examples	Supporting Policy & Procedure
<p>Conflict of Interests: Exists when it is possible that a staff member could be influenced, or perceived to be influenced, by a personal interest when carrying out their duties</p>	<ul style="list-style-type: none"> • Conflicting commercial interest • Conflicting political interest 	<ul style="list-style-type: none"> • Directors Statutes • Code for Good Governance of Charities (Wijffels Committee) • Collective Labour Agreement (CLA) – section 1.4 on sideline activities
<p>Procurement: a prime area for fraudulent and corrupt practices – due diligence in spending and a well defined and transparent process are key elements in Oxfam Novib's Procurement Policy</p>	<ul style="list-style-type: none"> • Favouring suppliers whose costs are not as competitive as other suppliers • Fraud such as false payments or ordering of goods for personal use 	<ul style="list-style-type: none"> • Procurement Policy
<p>Project Selection, Monitoring & Evaluation: The core process for distribution of funds and must be kept objective and free from any type of corruption</p>	<ul style="list-style-type: none"> • Seeking and obtaining bribes or other gifts in exchange for favourable treatment • Any type of favouritism resulting in favourable treatment of counterpart or colleague 	<ul style="list-style-type: none"> • Primary Projects Processes • Oxfam Novib's General Conditions requires an independent evaluation of larger projects
<p>Other Oxfam Operations Any type of corrupt or fraudulent behaviour that could take place in Oxfam Novib's day to day activities</p>	<ul style="list-style-type: none"> • <i>Unauthorised or illegal use</i> of assets, information or services for private purposes • <i>Falsification</i> of records, including Timesheets Travel claims, Purchase orders, vouchers etc. • <i>Manipulation of computer programs</i> for improper purposes, such as Unauthorised approval to pay or writing off debts • <i>Manipulation and misuse of account payments</i> e.g. Fictitious employees on the payroll • <i>Nepotism</i> e.g. in staff appointments • <i>Seeking and obtaining bribes</i> or other gifts in exchange for favourable treatment • Use of <i>facilitation bribes</i> 	<ul style="list-style-type: none"> • Oxfam International Financial Standards
<p>Counterpart Operations To ensure effective use of donors' funds it is critical to evaluate counterparts and monitor operations from a financial risk perspective (including corruption & fraud)</p>	<ul style="list-style-type: none"> • The same as listed in the previous sections, but now for the counterpart organisations • It should however be noted that bribery and nepotism is more common in some of the areas where Counterparts Operate and Oxfam Novib therefore pay extra attention to Counterparts operating in high risk areas 	<ul style="list-style-type: none"> • Toolbox 2009 (Tool F & G) – tools for risk appraisal • Financial Classification Instructions – system for financial opportunity and risk registration and monitoring

6. Colophon

Oxfam Novib
P.O. Box 30919
2500 GX The Hague
The Netherlands

Telephone number: +31 (0) 70 342 18 51
Telefax: +31 (0) 70 361 44 61
Email: info@oxfamnovib.nl
Website: www.oxfamnovib.nl

Document: Oxfam Novib Anti Corruption Policy final .doc
Author: Q&C
Version: 1.0
Created: 16 September 2009
Modified: 16 November 2009 revision 14 December 2009

Status: Approved by the Board of Directors 20 November 2009