



Terre des hommes
Aide à l'enfance.

Anti-corruption, fraud and conflicts of interest Policy



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Context of the policy

Objective

Terre des hommes – Child relief (hereinafter Tdh) is particularly committed to transparency in its activities and transactions, especially in the negotiation and execution of its contracts with donors and suppliers, in the management of its human resources and in the implementation of institutional and operational projects. Corruption, fraud and conflicts of interest jeopardize the organization's ideals regarding integrity and ethics, its effectiveness as well as the proper management of the funds allocated to the conduct of our mission towards the beneficiaries and can seriously damage Tdh's image. Tdh operates in many contexts and may be subject to different laws, on top of international standards¹, which share the definition of high requirements in the prevention and treatment of corruption and fraud.

This policy is intended to list and define the prohibited behaviors within the organization and to specify the responsibilities of the entities and individuals concerned.

Framework of reference

The commitment to combat corruption, fraud and conflicts of interest derive directly from the Global Code of Conduct of Terre des hommes, which defines the importance and expectations of good conduct for staff, as well as from the staff regulations.

Scope of application

This policy applies to all headquarters and field staff, regardless of status, percentage of work or rank, suppliers of goods and services, including consultants, volunteers and interns, and implementing partner organizations. This policy must be followed and applied in all the countries in which Tdh operates, regardless of any less restrictive legislation.

That information is public and may be freely shared through all communication channels, as well as outside Tdh.

¹ OECD Anti-Bribery Convention, United Nations Convention against Corruption

Prohibited behaviors

Corruption

1. Definition

Transparency International defines corruption as "the misuse of power for purposes other than those for which it was granted". Anyone who has resources and can make decisions involving others is considered to have power. Anyone who abuses a position of trust to gain an unfair advantage is corrupt.

In particular, corruption includes offering, promising or granting an undue advantage or reward to a person in order to influence his or her behavior or that of a third party (**active corruption**). Corruption also manifests itself in soliciting, being promised or accepting an undue advantage or reward (**passive corruption**)².

2. The particular issue of gifts and hospitality

It is prohibited to accept any attention (money, gifts or invitations) offered on a personal basis. Money can only be accepted if it is necessary to protect its integrity or that of third parties³.

Fraud

In the context of Tdh, fraud is defined as the deliberate and deceitful misuse of the organization's resources, as well as the violation of a rule relating to its assets.

These offences include, in particular, the following behaviors:

- The theft of funds or any other element of Tdh property, whether tangible or intangible;
- The falsification or creation of a false document or entries, misuse of signatures, manipulation, destruction or disappearance of accounting documents;
- The personal appropriation of Tdh property;
- The misappropriation of funds.

Conflicts of interest

Conflicts of interest arise when employees have private interests that hinder the honest and independent performance of their duties.

In this regard:

- Employees are prohibited from participating in a decision where their personal and private interests conflict with those of the organization;
- Under no circumstances may employees work as employees or officials of a national or local

² Examples of active and passive corruption are given in Annex I.

³ The issue of gifts and hospitality is detailed in Annex I.

government;

- Employees and their family members cannot be awarded a contract or benefit from a financial advantage.

Council of Foundation members and Directors announce each year, by signing a declaration of interests, their ties, with regard to their position with Tdh, in accordance to the existing rules on this subject.

The issue of conflicts of interest, including ancillary activities, is also addressed in the Staff Regulations⁴.

⁴ Articles 26 and 27 Staff Rules.

Responsibilities

The General Direction

Tdh Lausanne's General Direction is responsible for ensuring that the risks of corruption and fraud are reduced to a minimum. To this end, it promotes a corporate culture that promotes integrity and honesty and measures to combat corruption and fraud, including:

- By providing managers and staff with awareness and training on the risks of corruption and fraud;
- Ensuring that identified cases of fraud or corruption are investigated and, where appropriate, disciplinary measures are taken and, where appropriate, legal action is taken;
- Reviewing controls and procedures to prevent the recurrence of similar cases of fraud or corruption.

The Finance Department

The Finance Department is responsible for updating this policy and for improving and regularly monitoring the internal control system to minimize the risks of corruption, fraud and accounting manipulation.

It also bears final responsibility, jointly with the General Directorate, for resolving cases of abuse.

The Finance Department is responsible for ensuring that:

- An appropriate and effective internal control system is put in place that limits the risks of fraud, asset grabbing, theft, asset loss and accounting manipulation;
- The published financial statements are in conformity and reflect Tdh's financial reality. It ensures that the published annual accounts are free from any accounting manipulation (e. g. overvaluation of assets or undervaluation of debts).

Other responsibilities

In addition to the General Direction and the Finance Department, this policy is based on the sharing of responsibilities between the following entities and persons:

1. The **Supervisory Board**, acting as guarantor of the Foundation's interests, ensures that policies, guidelines and procedures exist, are properly implemented and contain a clear delimitation of responsibilities. It ensures good governance and ethical behavior of employees. In addition, it shall establish an effective internal control system to prevent, detect and deter corruption and fraud, as well as to deal with incidents that have occurred, and an internal audit function responsible for controls and their follow-up;
2. **Line managers** are responsible for receiving employee complaints, managing and reporting incidents, including those that can be avoided (near-incidents) to the risk management sector;
3. The **risk management sector** receives cases of non-compliance with this policy, and implements specific case management, ranging from managerial treatment to the opening of a crisis unit, depending on the severity of the case⁵;

⁵ There are 4 levels of severity: low, moderate, severe, critical.

4. **Employees** are required to comply with this policy and immediately report any fraudulent conduct or corruption they witness.

Sanctions

Tdh applies a zero tolerance towards all forms of fraud, corruption and conflicts of interest, in accordance with the Global Code of Conduct (GCC).

In the event of violations of this policy by employees, Tdh will take all necessary measures and will in particular fulfil its obligations to report cases to national governments and donors, in the event of a proven violation.

Tdh also reserves the right to impose disciplinary sanctions, in accordance with the personnel regulations in force in the country of operation, which may go as far as dismissing the person. The procedure and responsibilities for sanctions are set out in the Directive for the implementation of this policy.

Preparation, validation and application procedure

This policy was prepared by the "Policies" working group and validated by the Supervisory Board on 28 November 2018. It will be updated at least every two years.



*Every child in the world has
the right to be a child,
quite simply.*

Anti-corruption, fraud and conflict of interest policy

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and suppliers***

Distribution: KIT | Email | SharePoint

Responsible for the update: Finance Directorate

Responsible for the application: Finance Department

Other related documents:

Global Code of Conduct, Staff Regulations, Reporting Policy



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