Anti-corruption policy

Updated: 2021

Preamble

This anti-corruption policy exists to set out the responsibilities of Forus and those who work for Forus in regard to observing and upholding its zero-tolerance position on bribery and corruption. This document is a source of information and guidance for those working for/with Forus, helping them to recognise and deal with bribery and corruption issues, as well as understand their responsibilities.

Forus is committed to ensuring compliance with all international or local relevant legal requirements related to bribery and corruption in each of the jurisdictions in which it operates. As the anti-corruption laws of some countries have extraterritorial application, Forus will be bound by the most stringent requirements of these laws in respect of its conduct in all jurisdictions, even if such conduct would otherwise be permitted by the local law of a particular jurisdiction. Forus also fully adheres to the principles and requirements of the 2003 United Nations Convention against Corruption.

Application

This anti-corruption policy applies to:

- All Forus employees (whether temporary, fixed-term, or permanent), volunteers, interns, no matter where they are located;
- All Council and Executive Committee members or members of any Committee or Working Group or Task force facilitated by Forus at any level;
- All Forus members that have signed a partnership agreement with Forus;
- All individual or organisation Forus works with: suppliers, consultants, service providers, implementing partners, donors, and government and public bodies;
- All other entities that agree to be bound by this policy.

Policy statement – zero tolerance of corruption

Forus has a policy of zero-tolerance of bribery and corruption: fraud, bribery or corruption in any form will not be tolerated by Forus. Acts of corruption compromise Forus' values as defined in its Charter of Values. Any suggestion of a link to corruption can be damaging to reputation, trust and support of partners or donors. Corruption also poses legal risks both for the organisation and individuals involved. Forus requires staff to act honestly and with integrity: fraud and corruption are ever-present threats and must be a concern of all members of staff.

Forus takes the most serious view of any actual or attempted act of fraud or corruption by staff, contractors or their employees, implementing partners, and agents acting on its behalf. Staff involved in actual or attempted fraud or corruption of any kind will be subject to disciplinary action up to and including dismissal, and, where practical, will normally be reported to law enforcement authorities for criminal prosecution. Forus will endeavour to recover, by any and all legal means, any funds lost through fraud from those responsible and will take robust action against involved third parties (including partners, contractors and agents).

Forus values long-lasting relationships and deals with its members, partners, suppliers and service providers, governmental agencies, public officials, and other stakeholders on the basis of merit, professionalism, trust and integrity.

Forus Council and Executive Committee members and senior management should commit to and oversee the implementation of a policy of zero-tolerance, recognizing that corruption and bribery are contrary to fundamental values of integrity, transparency and accountability and undermines organizational effectiveness.

Respecting these principles of zero-tolerance, Forus will aim at planning responses to corruption. All detected incidents, or suspicions of incidents will be reacted upon, and the action taken will be in accordance with Forus policies and procedures, local legislation, and the context and nature of the incident.

Roles and responsibilities

Forus Council and Executive Committee
The Forus Council and Executive Committee are responsible for ensuring that the organisation has a properly functional internal control and risk management system and expect that all instances of corruption are brought to its attention by management.

Senior staff and managers
It is incumbent upon Forus managers and senior staff to set an example by complying fully with Forus' policies, procedures and controls. Managers and senior staff are responsible for ensuring that employees under their charge are trained upon and fully understand the Forus Anti-Corruption Policy, and the consequences of non-compliance.

Senior staff and managers must be familiar with and alert to the types of fraud that might occur in their area(s) of responsibility. In particular they must:
- Ensure that this policy and all Forus' systems, financial controls and procedures are fully understood by staff;
- Frequently check that these are being fully observed and implemented;
- Regularly review and, where necessary, update control and procedures.

For managers it is a corrupt act not to act upon reports submitted by staff members.

Staff
All members of staff must read, understand, and comply with the information contained within this policy, and with any training or other anti-bribery and corruption information they are given.

All employees are equally responsible for the prevention, detection, and reporting of any forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this anti-corruption policy.

If any staff member has reason to believe or suspect that an instance of corruption has occurred or will occur in the future that breaches this policy, they must notify their line manager. It is a corrupt act not to report suspicions of corruption.

If any employee breaches this policy, they will face disciplinary action and could face dismissal for gross misconduct. Forus has the right to terminate a contractual relationship with an employee if they breach this anti-corruption policy.

If for any reason a member of staff does not feel able to report a suspected corruption instance to their line manager, a more senior manager up to and including Director or Chair should be informed.

Other third parties
Forus encourages partners, suppliers, contractors, members of the public, and any other third party to report incidents of corruption.

Alert raising

Internal reporting
Allegations may be reported anonymously by any employee, but Forus encourages staff members, when it is safe for them to do so, to make their identity known to ease the investigation. It is encouraged that reports are made in writing, but they may be made orally.
Monitoring and evaluations may, as well as being a method in reducing corruption risk, be a tool in uncovering incidents of corruption.

Whistle-blowers
A whistle-blower is any person who reports allegations of corruption or other misuse of power or funds. A whistle- blower may make their own identity known to Forus, or report anonymously.
Forus should not disclose the identity of any whistle-blower, whether the person has made the allegation anonymously or the identity is known to Forus, unless the organisation obtains the whistle-blower's consent.
Whistle-blowers, partners and members of the public may report to a relevant Forus manager or directly to the Director, Chair, or a member of the Executive Committee.

False reports
Anyone reporting an allegation of corruption should do so in good faith. If an allegation is found to have been made with malicious intent, Forus may report the incident to the relevant judiciary body. If an employee knowingly lodges a false report, this will be regarded as a serious disciplinary offence and dealt with in accordance with Forus' disciplinary procedures.

Handling cases of corruption
Forus will assess the reported allegations and consider whether to launch an investigation. Where the matter is deemed potentially serious it will be promptly reported to the Executive Committee by the Director, and where appropriate, to the Council.

The following procedure will be followed:
1. The report will be recorded, and an investigative file established. In the case of an oral report, the party receiving the report is also to prepare a written summary.
2. Forus Director will promptly commission the conduct of an investigation.
3. The investigation will document all relevant facts, including persons involved, times and dates.
4. The identity of a person filing a report will be treated as confidential to the extent possible, and only revealed on a need-to-know basis or as required by law or court order.
5. The identity of the subject who is the focus of the investigation should be confidential. He or she does, however, have the right to be informed about the allegations.
6. Anyone called in to give evidence in the investigations must cooperate. They should refrain from disclosing the investigation or their testimony to anyone not connected to the investigation.
7. There may be situations where it is hard to determine whether the suspected incident is a result of lack of capacity, or if it is deliberate misuse of power or funds. The handling of such incidents should when appropriate be done in a capacity building manner, rather than as a reaction to reported incidents only.
8. On completion of the investigation, a written investigative report will be provided by the persons tasked to conduct the investigation to the Director. If the investigation has

documented unlawful, violative, or other questionable conduct, the Director will advise the Executive Committee of the matter.

9. If any unlawful, violative, or other questionable conduct is discovered, the Director shall ensure that such remedial action as the Executive Committee deems appropriate under the circumstances is taken to achieve compliance with this Policy and any applicable law, and to otherwise remedy any unlawful, violative or other questionable conduct. In particular, the Director shall take appropriate disciplinary and legal action, where justified, and take all appropriate and reasonable steps to recover any financial losses.

10. The persons tasked to conduct the investigation shall prepare a written summary of the remedial action taken.

11. In each case, the written investigative report (or summary of any oral report), and a written summary of the remedial action taken in response to the investigative report shall be retained along with the original report.

12. Relevant sections of these reports may be shared with stakeholders as appropriate and reported to donors as required.

13. Forus may publish summaries of any fraud investigations and significant thefts on its website.

Measures reducing the corruption risks

Corruption risk assessment
The implementation of anti-corruption procedures will be monitored as part of overall risk management and internal control processes of Forus. Corruption risk assessment should form part of Forus overall risk management process.
Forus shall regularly review all systems and procedures to prevent frauds or acts of corruption.

Contracting with suppliers and consultants
Forus communicates its anti-corruption policy to suppliers, contractors and other third parties. Before entering into contracting arrangements Forus assesses the risk involved and conducts appropriate due diligence. Any arrangements Forus makes with a third party is subject to clear contractual terms, including specific provisions that require the third party to comply with minimum standards and procedures relating to anti-corruption, as well as Forus' anti-corruption policy.

Contracting with partners
Forus communicates its anti-corruption policy to all implementing partners. Before entering into partnerships Forus ensures they have conducted adequate due diligence. This shall involve seeking information about partners' controls, including anti-corruption policies and procedures. Partnership agreements shall incorporate appropriate anti- corruption clauses.

Recruitment procedures
All vacancies, permanent or temporarily, are as a minimum announced internally; but Forus usually makes public job offers. Only qualified candidates should be called in for an interview. The interview panel should decide who will be offered the job. No job offer must be made until the process is concluded.

Financial management
Adherence to Forus' procedure handbook and internal policies ensures effective and transparency administrative and financial management. Logistic and procurement procedures outline the ethical standards staff must adhere to, including procurement thresholds and tendering obligations.

<u>Project documents</u>
Project proposals and implementation should always outline Forus' corruption risk mitigation efforts as part of the description of risks and assumptions for the achievement of the project objectives. Forus will ensure corruption risks are taken into consideration in programme planning.

<u>Regular audits and special audits</u>
Forus' accounts and procedures are audited on a yearly basis by an external audit firm (Statutory Auditors). Additional project audits and evaluation missions are regularly commissioned by Forus or its donors.

<u>Anti-corruption training</u>
All Forus employees, Council and Executive Committee members, volunteers and third parties engaging with Forus are made aware of the anti-corruption policy. Forus will, at regular intervals, ask its staff to complete a training on anti-corruption and will include compliance with this policy as part of annual performance appraisals.

Appendix: Definitions & examples

Definitions

"**Fraud**" is civil or criminal deception, intended for unfair or unlawful financial or personal gain or to cause loss to another party, such as by misappropriation of assets, abuse of position, collusion, false representation and/or prejudicing someone's rights.

"**Bribery**" is the offering, promising, giving, accepting or soliciting of money, a gift or other advantage as an inducement to do something that is illegal or a breach of trust in the course of carrying out an organisation's activities.

"**Corruption**" is defined as the abuse of entrusted power for gain. It includes practices such as bribery, fraud, extortion, collusion and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the organization's activities. This may include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage or that may result in moral pressure to receive such an advantage.

Example of bribery
- A potential supplier offers some money or a gift, in order to influence a tender process.
- A job applicant offers to pay to increase his/her chance of being offered employment.
- You offer a gift (eg. excessive hospitality connected to a training course) to a local public officer, in return for approval of an application.
- A customs official asks for an unofficial payment or gift to release imported goods.
- A government official asks for payment in order to secure a registration.

Example of other types of corruption
- Kickback: A form of bribery, where someone involved in a purchasing process is getting a reward from the supplier for placing an order of goods or services.
- Embezzlement: Theft of resources for personal benefit.
- Extortion: The act of obtaining something by force, threats or undue demands, e.g. about tender procedures or applications for funds.
- Favouritism: The unfair favouring of one person or a group at the expense of others, includes nepotism which is favouritism shown to relatives.
- Fraud: The deceit or breach of confidence, perpetrated for profit or to gain some unfair or dishonest advantage.
- Maladministration: Mismanagement or financial misconduct in handling or reporting of money, financial transactions or other assets.
- Trading in influence (influence peddling): A form of bribery, when a person promises to exert an improper influence over a decision-making process in return for an undue advantage, 'influence' traded for money or an undue advantage.
- Diversion of aid resources to non-target groups.
- Undue influence upon implementing partners from employees misusing their power as managers of funds.
- Other misuse of power to gain non-financial benefits.