



# **ANTI-FRAUD AND ANTI-CORRUPTION POLICY**

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**Policy on prevention, detection and response to fraud and corruption**

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Approved by	Executive Committee	Executive Committee				

## 1 PURPOSE AND SCOPE

The purpose of this Policy is to adopt a contemporary definition of fraud and corruption and set forth robust mechanisms to combat them, promoting consciousness and compliant behaviour within the Organization.

Fraud and corruption are serious threats to any organization while no organization is immune to them.

Fraud and corruption pose significant risks and may be harmful to our objectives, reputation and effective governance.

For the case of EMERGENCY, fraud and corruption have the potential to impede EMERGENCY's mission in various ways, such as, *for instance*:

- diminishing the affected populations' chances for qualitative health services, setting conditions for inequitable access to health care, through out-of-pocket expenditure;
- increasing the circulation of substandard and falsified medical products, potentially leading to increased rates of morbidity and mortality;
- reducing the ability of the Organization to make evidence-based health policy choices, as a result of, for example, misrepresentation of health data or unmanaged conflicts of interest;
- eroding trust in EMERGENCY's operations and ability to protect resources, potentially leading to suspension or loss of funding with consequent reduced delivery of essential health services for the affected population.

**!!** Combating fraud and corruption is therefore critical for EMERGENCY's mission.

→ Fraud and corruption may take root not only in financial management but also in governance, strategic and operational decision-making, programme design and reporting (including human resources and data management). Fit-for-purpose prevention, detection and response actions are to take in all these areas.

**!!** The occurrence of fraud and corruption is in contradiction with the *Code of Ethics*, in particular for the compliance with the humanitarian principles referred therein, such as *independence, impartiality, neutrality*.

In the view of preventing, detecting and responding to fraud and corruption risks, this policy:

- identifies key risks that may affect the Organization;
- describes the internal control system in place in order to deal with fraud and corruption risks;
- states common definitions of a range of fraudulent and corrupt practices,
- defines the roles and responsibilities of all the members of the Organization in dealing with such threats, including Board of Directors, management and third parties having relationships with EMERGENCY to avoid, prevent, detect and report fraud and corruption;
- establishes that appropriate disciplinary and legal actions will be taken in case of fraud and corruption events, where ascertained.

This policy applies to:

- **all EMERGENCY's activities**, which are defined as all activities and operations that EMERGENCY engages in or finances, either directly or indirectly, in whole or in part;
- **all EMERGENCY personnel** regardless the form, type and duration of the established agreements with EMERGENCY, both at Central level (Main Office) and at field level (field projects in Italy and abroad);
- **all vendors and suppliers** of EMERGENCY ONG ONLUS in the space of the relationship with EMERGENCY.
- **contractors, grant recipients and partners** of EMERGENCY;



Any question concerning this policy should be addressed to the Compliance Office. **The Compliance Manager** is the function in charge to verify the comprehensive knowledge and the correct application of the present policy and to update this policy, when necessary.

## 2 INTERACTION WITH OTHER INTERNAL REGULATIONS

This policy is not intended as stand-alone. It complements and updates with the followings:

- *Organisation, Management and Control Model;*
- *Code of Ethics;*
- *Whistleblowing Policy;*
- *PSEA-H Policy.*

This policy informs the followings, which are updated accordingly:

- *Administrative and Financial Manual;*
- *Procurement Procedures and work instructions;*
- *Project Management Manual;*
- *HR Manuals;*

and:

- *Administrative and Financial Work Instruction;*
- *Payment Procedure;*
- *Recruiting and Training procedure;*
- *Cost Allocation Methodology.*

## 3 DEFINITIONS AND GENERAL PRINCIPLES

Fraudulent, corrupt, collusive, coercive and obstructive practices (collectively “fraud and corruption”) are **contrary to EMERGENCY’s core values**, especially accountability and transparency. EMERGENCY recognizes the adverse effect that such practices have on its activities and operations, as set out above in paragraph 1.

The terms fraud and corruption cover a variety of prohibited practices, which do not necessarily bring immediate financial or other direct or indirect benefit for the individual(s) committing them, but may cause financial, operational or reputational damage to EMERGENCY.

The following definitions apply in the context of this policy and override other definitions that may be included in other documents:

- ❖ **Fraud or fraudulent practice** is any act or omission especially on information, including misrepresentation, that knowingly attempts to or does mislead a party, in order to obtain financial or other benefit or to avoid an obligation, for oneself and/or for others.



- ❖ **Corruption or corrupt practice** is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to improperly influence the actions of another party. It may reflect an abuse of power or improper use of resources for private gain.
- ❖ **Theft or misappropriation** is the unauthorized taking of anything of value that belongs to another party.
- ❖ **Collusive practice** is an arrangement between two or more parties set out to an improper purpose, including improperly influencing the actions of another party. This includes arrangements between covered parties to override this policy.
- ❖ **Coercive practice** is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party in order to influence improperly the actions of that party.
- ❖ **Obstructive practice** is
  - deliberately destroying, falsifying, altering or concealing evidence relevant to an investigation;
  - making false statements in order to impede an investigation into allegations of corrupt, fraudulent, coercive, or collusive practice;
  - threatening, harassing or intimidating any party to prevent it from testifying on matters relevant to the investigation or from pursuing an investigation;
  - acts intended to materially impede the exercise of investigation and audit rights;
  - failing to comply with the duty to report as defined in the *Whistleblowing Policy*.
- ❖ **Money laundering** is the conversion, transfer, acquisition, possession or use of property or money knowing, or reasonably presuming to be known, that such property/money is derived from criminal activity, or aiding, abetting and facilitating such acts.
- ❖ **Financing of terrorism** is the direct or indirect provision or collection of funds, by any means, with the intention to use them, or in the knowledge that they are to use, in full or in part, to benefit individuals and entities subject to sanctions imposed by the United Nations Security Council.
- ❖ **Conflict of interest** occurs when private interests (financial, personal, or other non-EMERGENCY interest or commitment) interfere, or could appear to interfere, with the ability to act impartially, to discharge assigned functions or obligations and to regulate conduct with the interests of EMERGENCY only, in view.
- ❖ **Credible allegations** are allegations under the scope of this Policy that, if substantiated, would establish the existence of fraudulent or corrupt practices providing sufficient detail or supporting factual basis (i.e. sufficient, plausible, and accurate information) for the matter to pursue.

EMERGENCY has **zero tolerance for inaction** on fraud and corruption and does not tolerate any fraud and corruption along its activities and operations. EMERGENCY is committed to prevent them and to take strong action when they occur.

EMERGENCY intends to fulfil its commitment to protect the Organization from fraud and corruption through the following approach. To be effective, the anti-fraud and anti-corruption approach needs to implement as a comprehensive cycle of prevention, detection and response actions supported by clearly defined roles and responsibilities:

- **Awareness (identification):** Ensuring that all EMERGENCY personnel and associates, as well as third parties encountered in the carrying out of EMERGENCY's mission, are aware of EMERGENCY zero tolerance towards fraud and corruption and have a sense of what fraudulent, corrupt, collusive, coercive and obstructive practices consist thereof.
- **Prevention:** Ensuring prevention of fraud and corruption may be enacted by EMERGENCY personnel and associates, through the application of procedures aimed at reducing any perceived opportunity for fraud and corruption, and by promoting an environment where all EMERGENCY personnel and functions work to minimise the related risks.
- **Reporting:** Ensuring that complaint mechanism for reporting on fraud and corruption as well as related risk episodes (near miss, attempts and alerts) are in place, accessible and safe. All EMERGENCY personnel and associates must be aware of the procedures to follow in case of concerns or suspicions. Reporters are to protect and support.
- **Response:** Ensuring appropriate and systemic measures in response to substantiated attempt or completion of fraud and corruption. Organizational learning on reducing the perceived opportunity is critical.
- **Promoting culture of openness, sensitivity and support:** Ensuring that EMERGENCY management favours open lines of communication and dialogue, and an atmosphere of support in order to implement and enhance EMERGENCY fraud and corrupt prevention and response procedures. For EMERGENCY it is essential that Board of Directors, Executive Committee and Senior Management takes an attitude defined as "**tone at the top**", in order to promote an anti-fraud and anti-corruption culture within the Organization, explicated through periodic communication to the EMERGENCY personnel to maintain ethical behaviours, while carrying out their activities. Following this approach, a reference to the Policy content is made periodically for *i)* main office staff, during the Staff meeting and *ii)* staff involved in the projects/missions, through the participation of Compliance Manager in the periodic operational meetings, at least twice a year.

#### **4 FRAUD AND CORRUPTION PREVENTION MEASURES**

EMERGENCY maintains a fit-for-purpose, risk-based, anti-fraud and anti-corruption framework that fosters prevention of prohibited practices and includes:

- dedicated policies and clear procedures;
- induction, training and refresher courses for staff to raise awareness of the potential fraud and corruption schemes and the related risks (i.e. financial, operational, technological, etc.);
- fraud and corruption risk assessment: identifying and addressing causes of fraudulent and corrupt practices when the repetition of anomalies suggests it;
- Transparency on the incurred risks, including the communication of disciplinary measures taken, in aggregated form through the annual accounts;

- effective reporting mechanisms to encourage the reporting of all suspicious activity for consideration by the appropriate function;
- anti-fraud and anti-corruption legal clauses for contractual relations with covered parties;
  
- internal controls, including:
  - access controls - appropriate technical and physical mechanisms to protect and safeguard assets and records;
  - effective segregation of duties to minimize opportunities for inappropriate assignment or accumulation of incompatible functions;
  - risk-based due diligence processes – either in selection procedures for hiring staff and collaborators and for contracting with third parties;
  - monitoring of the performance of third-party entities such as vendors, contractors, grant recipients and technical partners through performance assessments to set white lists.

Fraud and corruption prevention and mitigation measures are to implement at all levels of the Organization and to monitor regularly in order to ensure effective management of fraud and corruption risks.

#### 4.1 Risk Assessment

The Compliance Manager is responsible for supervising the application of the Anti-Fraud and Anti-Corruption measures descending from this Policy and is in charge, additionally to the Spot Check Unit function and the Supervisory Board, of Risk Assessment activities, aimed at identifying and prioritizing the EMERGENCY's areas of exposure to fraud and corruption risks, considering local context, business trends and relationships with third parties.

Risk Assessment activities are performed every two years or at any shift in the environment that would justify a revision, considering:

- country risk (e.g. political and social outlook);
- transactions risk (e.g. involvement of public officials, involvement of international sanctions, collapse of banking or traditional financial services, etc.);
- business opportunity risk (e.g. level of transaction value, clarity of business objective, existence of non-standard business practices);
- partnership risk (e.g. involvement of exposed persons, conflict of interest between parties, etc.).

The Compliance Manager completes annually the "**Fraud Prevention Check Up & Risk Register**" in order to verify the current EMERGENCY positioning on Anti-Fraud and Anti-Corruption and identify area of improvements. The check-up is updated on the basis of the assessment activities performed and any organizational learning resulting from the investigated allegations or suspicions.

The functions involved in the "Fraud Prevention Check Up" completion are (non-exhaustedly):

- Administration;
- Spot Check Unit and Financial Reporting Office;
- Field Operations Department (FOD), especially Grants and Area Desks;

- Human Resource either at central and FOD levels;
- Fund raising, including Foundations;
- any other functions involved on the basis of the Compliance Manager evaluation on the matter.

**Risk Register** identifies:

- risk areas;
- fraud risks affecting EMERGENCY;
- main functions exposed to the abovementioned risks;
- controls implemented by the Organization.

Additionally, the Compliance Manager, in collaboration with the Grant Management Division, compiles annually the “**Field Project Check List**” relating to the risks that affect the specific field project(s).

The check-list serves as a guide for the Grant Manager assigned to that country/project for pre-verification, before any authorization or closure of reporting and for detecting failures and anomalies. It is the responsibility of the Grant Manager to pass the populated list to the Compliance Manager regularly and in any case before any financial or narrative report. The Compliance Manager will evaluate the report and will eventually launch an investigation upon *Whistleblowing Policy* standards.

Based on the above collection of information in terms of risk assessment, the Compliance Manager defines an “**Action Plan**” for the following year(s) for the areas that result as most critical. The “Action Plan” goal is:

- to strengthen controls or introduce new controls in order to mitigate the emerging risks;
- to identify which areas must be audited in order to obtain in depth knowledge of related risks.

The “Action Plan” is shared by the Compliance Manager with the Supervisory Committee and the Executive Committee for discussion and approval thereof.

#### **4.2 Anti-Fraud and Corruption Standard of Conduct**

**Personnel of EMERGENCY**, regardless the type, duration of the agreements, shall:

- adhere to the standards set forth in EMERGENCY regulations, to rules and/or the provisions of contractual agreements entered into with EMERGENCY;
- act at all times in accordance with the highest standards of integrity;
- avoid any use of the funds, resources and/or assets of EMERGENCY that is contrary to the Policies and intended destination;
- exercise due care in managing the funds, resources and/or assets of EMERGENCY, applying established risk-control mechanisms to mitigate the risk of fraud and corruption;
- under no circumstances, engage in, condone or facilitate, or appear to condone or facilitate, any fraud and/or corruption in the course of the activities and operations of EMERGENCY;
- refrain from participating in any situation that can entail any conflict of interest on their end and immediately flag similar conditions related to themselves or colleagues in the same work flow;
- detect and report any fraud and corruption, or any attempts thereof, in accordance with the Policy;
- comply with the mandatory training requirements under this Policy.

→ Moreover, **personnel involved in the procurement process**, shall:





- avoid to discharge own duties in any situation of actual or perceived conflict of interest, or which may otherwise impair the judgment, and promptly communicate in writing any such conflict of interest or other impairment to the line management;
- obtain information through due diligence procedure on the business profile of any party involved in the procurement process;
- avoid using their position or knowledge gained from their functions to favour any parties in the procurement process, or to prejudice parties they do not favour;
- ensure that contractual agreements with suppliers of goods and services include a clause prohibiting fraud and corruption;
- report immediately suppliers of goods and services who are found to have breached the Policy and take swift action to minimize the impact on the Organization in such a scenario.

Additionally, **EMERGENCY managers** shall:

- constantly monitor and assess any internal and external risks of fraud and corruption and promptly flag them to the Compliance function;
- regularly employ existing risk-control mechanisms to prevent such practices or propose additional mechanisms where appropriate;
- raise awareness of risks of fraud and corruption through ongoing guidance to coordinated staff members;
- adhere to the terms of this Policy in exercising their delegated authority to enter into contractual arrangements with any cooperating partners, suppliers and/or other third parties;
- take prompt and reasonable action to recover misappropriated funds or losses caused by fraud and corruption;
- ensure that staff under their supervision comply with the training requirements under this Policy.

### 4.3 Internal Controls

The following grid shows the EMERGENCY internal controls system.

It consists of four general control standards:

- Definition of Roles and Responsibilities within EMERGENCY;
- Segregation between the EMERGENCY functions;
- Operating procedures, which define the standard controls **for each process**;
- Process traceability.

ROLES AND RESPONSIBILITIES	SEGREGATION OF DUTIES	OPERATING PROCEDURES	TRACEABILITY
<p><b>Definition</b> of roles and responsibilities comes through the <b>job description (JD)</b> that establishes</p> <p>➤ the position <b>purpose</b>,</p>	<p><b>Segregation</b> in main processes among</p> <p>➤ <b>the authorization,</b></p> <p>➤ <b>the decision,</b></p> <p>➤ <b>the verification</b></p> <p>➤ <b>the implementation</b></p>	<p><b>FINANCIAL CONTROLS:</b></p> <p>Pursuant the <i>Administrative and Financial Manual</i>, and the <i>Administrative and Financial Work Instruction</i>,</p>	<p><b>Formalized agreement</b> is required:</p> <p>➤ in the <b>relation with suppliers</b> → regulated by agreements and purchase</p>



<p>➤ the <b>hierarchical positioning,</b></p> <p>➤ the <b>functional coordination,</b></p> <p>➤ the main <b>tasks.</b></p> <p><b>Structural and hierarchical positions</b> of the role are verifiable through the <b>Organizational Chart.</b></p>	<p>→ put forward by <b>segregated responsibilities</b> assigned to different pieces of the process,</p> <p>→ <b>avoiding concentration</b> of critical functions in one role specifically in each process.</p>	<p><b>these are regularly performed</b> by the Central Administrative Department, the Spot Check Unit and the Financial Reporting Unit. With the <b>aim of controlling the allocation and the usage of financial resources,</b> they display mainly through:</p> <ul style="list-style-type: none"> <li>➤ financial statements preparation,</li> <li>➤ monthly accounting check,</li> <li>➤ cash balances,</li> <li>➤ bank reconciliation</li> <li>➤ monitoring check (e.g. budget monitoring and checks on bookkeeping monitoring tool).</li> </ul> <p><b>*GREATER RISK ACTIVITY:</b> Pursuant the <i>Procurement Manual</i>, when <b>purchasing at field level or over a financial threshold.</b> In particular:</p> <ul style="list-style-type: none"> <li>➤ the <b>request for procuring</b> and</li> <li>➤ the <b>selection of the supplier</b></li> </ul> <p>→ require <b>approval of by a differentiated collective process,</b> according to the total value of the agreement and involving the main figures at Field Level and the participation of the FOD relevant posts at Main Office.</p>	<p>orders. "Declaration of Ethical and Regular Activity" clause is also included, which provides the supplier commits to uphold the ethical and integrity standards.</p> <p>➤ in the <b>receipt of donations</b> from institutional entities, either in the form of goods / services or money. Donations</p> <p>≥ <b>50,000 Euro</b> by private individuals require notary authentic instrument.</p> <p>&lt; <b>50,000 Euro,</b> imply that the concerned donor's data are communicated to EMERGENCY by the bank through the bank statement. All Donations and donor data are to record in the Donor Care unit.</p> <p>➤ <b>Employment/collaboration</b> requires formal agreement, including express commitment to Code of Ethics and the other Policies, timely signed, returned to the relevant office.</p>
<p>Within the framework of this Policy:</p> <p>→ Executive Management: the EMERGENCY Board of Directors and Executive Committee have overall responsibility for the implementation of and</p>		<p><b>NON-FINANCIAL CONTROLS:</b> apply at function level according to the specific operating procedures.</p> <p>In the relationships with <b>third parties,</b> due diligence process is carried out by the relevant manager with the support and</p>	



adherence to the Policy, as well as for mobilizing and dedicating the necessary resources.

→Senior Management: the Compliance Manager and management in each functional unit are responsible for ensuring the understanding, the implementation of and adherence to the Policy across the Organisation. The Compliance Manager, in particular is responsible for the dissemination and understanding of the Policy and the development and update of the Policy.

→ Technical Support: the Compliance Manager and the Field Administrator are responsible for providing technical support for the implementation of and adherence to the Policy at field level.

verification of the Compliance Manager and may include:

- Analysis of the company certificate of incorporation and the company structure for verification of potential conflicts of interest;
- Background check (web search through keywords, the verification of UN Sanction List for anti-terrorism and anti-mafia);
- Verification through self-certification by the Third Party, on criminal proceedings and sentences of conviction for crimes of corruption, money laundering, tax fraud, terrorism financing and for the absence of any conflict of interest, politically exposed persons included.

**For personnel**, please refer to the “*Recruiting and Training procedures*” that defines the documents and background checks to carry out at the time of recruiting.

**IT control, especially for cyber security**, is carried out automatically by the management system.

**Red Flags of potential fraud and corruption** risk identified during any due diligence process are submitted to Executive Committee and the Supervisory Board, for further consideration.

Additional due diligence may be required, at the discretion of the Executive Committee, prior to finalization of any relationship.

#### **4.3.1 Derogation to standard controls**

As a general rule all control principles established by EMERGENCY must be respected by all functions and personnel.

Derogations to these controls must be:

- justified;
- formalized;
- documented;
- approved by the Executive Committee after consultation with the Compliance Manager.

Derogation to standard controls concerning the activities carried out in the project/mission (e.g. self-billing, supply or donations without contract or notary authentic instrument) must be

- adequately motivated
- reported timely
- in writing to the relevant Desk Coordinator.

The Desk Coordinator:

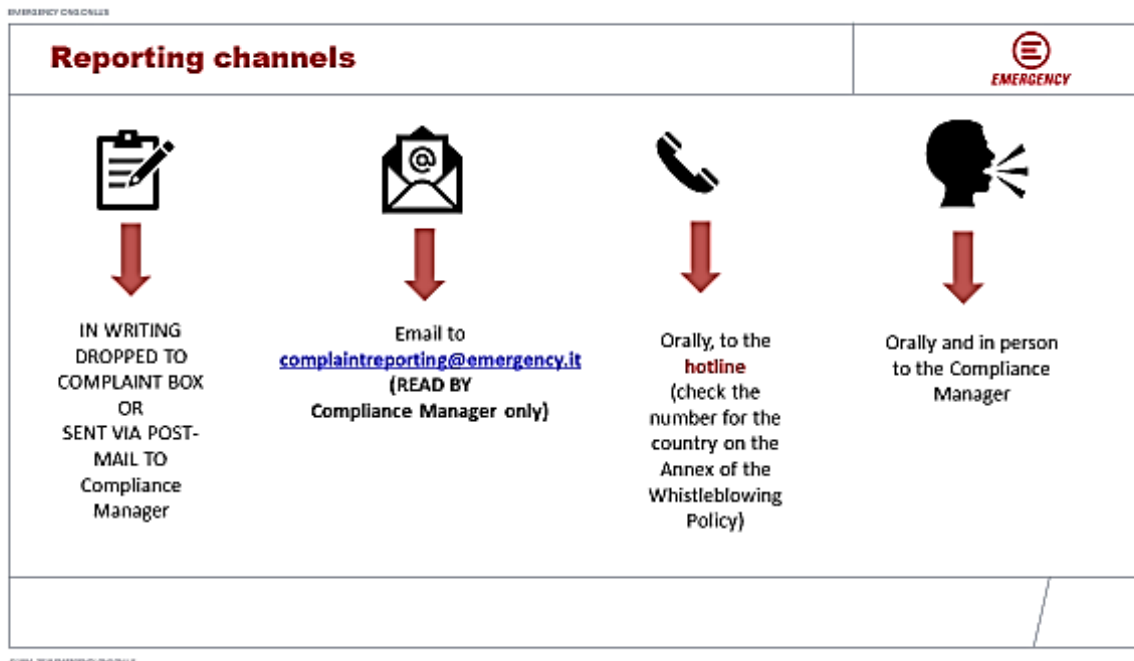
- promptly informs in writing the Compliance Manager of the derogation that have occurred,
- the motivation and
- any other details that could be relevant and originally communicated by the requester.

The Compliance Manager, having collected repetitive exceptions, plans specific checks annually on the recorded type of exceptions, in order to verify the supporting documentation and any other relevant details that could suggest increase in risk. The documentation must be archived as reported in the operative procedures.

**!** Crisis conditions and circumstances in the Field might set as impossible to comply with the standard controls and rules, imposing repetitive and recurrent derogations. In this scenario, all relevant Desk Coordinators are requested to outline these conditions prior to action and establish a process of elaboration of Crisis Procedure with the advice of the Compliance Manager, to be discussed and approved by the Executive Board for a certain period of time that is reasonable for the contextual crisis. Such Crisis Procedure is specific to a context, is motivated and shared with the relevant donors, where present.

## **5 REPORTING**

All EMERGENCY personnel are required to report promptly any reasonably suspected case of fraud and corruption, or any related attempts of such practices, to the *Complaint Reporting Mechanism*.



## 6 INVESTIGATION

Any investigation pursuant to this Policy shall be conducted upon *the Whistleblowing Policy* and related *Annex 8 on Internal investigation procedure*.

At the completion of the investigation, the Investigation Team report findings to the Commission for Investigation and to the Supervisory Board (see *Whistleblowing Policy*).

In case of violation of the Policy, the final report with the findings of the Supervisory Board is submitted to the Commission for Investigation for final resolution on appropriate administrative, legal and/or disciplinary action to put forward. In particular:

- In case of personal liability of staff, directors or any third parties, the Human Resources Office define the disciplinary sanctions to apply according to the Organization disciplinary system;
- For suppliers and vendors contractual clauses on the weight of the effects of such substantiated allegations of Fraud and/or Corruption, even if only attempted, apply (e.g. application of penalties or termination of the contractual relationship).
- In case of failures in the organizational processes, organizational learning is defined (e.g. introduction of new standard controls or company figures), to correct what has been ascertained. These recommendations are included into an "Action Plan". The Compliance Manager verifies the correct application thereof through periodic checks;
- In case of no liability or organizational problem are found, the filing of the report follows pursuant the rules established in the *Whistleblowing Policy*.

In case fraud or corruption substantially occurred, even if tempted, notification is also due to the institutional donors, which required such notification in the contractual obligations.

## 7 DETECTION AND MANAGEMENT OF CONFLICT OF INTEREST

### 7.1 Preventing conflict of interest

In the discharge of assigned duties, all personnel shall have and prioritize, as unique and principled aim, the purpose of the interests and objects of the organization.

A conflict of interest is the **incompatibility** between an **individual's private interest and either the assigned duties by or the interests of, EMERGENCY**. Such are circumstances in which the individual **might benefit improperly or perceived so**, directly or indirectly, on own end and despite the interests of EMERGENCY or second parties such as partners and donors.

Such incompatibility is present, by definition, in the following circumstances:

- **family link (within a certain degree),**
- **emotional life link (partners and closed friends included),**
- **political affiliation link (syndicate and union included),**
- **public function (PEP) on the counter-part or member**
- **economic interest link.**

Furthermore, the following individual conditions are considered as **potential situations** of conflict of interest, **unless previously authorized** by the Board of Directors or the Executive Committee:

- Carrying out any work activities for donors or suppliers of goods or services;
- Acceptance of any kind of benefit (e.g. money, services, discounts) by current or potential donors or suppliers;
- The assignment of professional offices or the execution of orders to donors or suppliers with whom you have interest or with whom you have or have had any personal relationship;
- The use of one's function, assignment or position in the organization or of the information acquired as part of the organization's activity to achieve personal interests, even if the organization does not suffer any direct damage as a result.

Everybody shall pay careful attention to any situation of conflict of interests and any further situation that might compromise the **impartiality and neutrality** of the action.

In such circumstances, **decision-making processes or decisional bodies shall revert on alternates**, who can objectively uphold the principled aim, in order to ensure the integrity and validity, as well as the perception thereof, of any made decision.

### 7.2 Disclosure of conflict of interest

In the event or even if in doubt of being in a situation of conflict of interest, the concerned party shall **refrain from engaging in a behaviour or in a decision or in the carrying out of an operation and immediately inform the direct supervisor and the Compliance Manager** providing the necessary details.

Based on the situation, the Compliance Manager will provide operational indications in writing, dispensing or allowing the completion of the concerned operation, eventually under further arrangements.

Whenever a private donation, employment or supply contract is entered into, the Office responsible for managing the contract has to send the "Conflict of Interest Disclosure Declaration" to the counterpart, before



entering any contract. If the Declaration returns duly filled and signed, the responsible Office shall share it with the Compliance Office and later finalize the contractual process. The Compliance Manager archives the completed forms.

In case of doubt or for any further clarification on this subject, EMERGENCY personnel is encouraged to contact the Compliance Manager **prior to any further action**.

## 8 TRAINING & DISSEMINATION

EMERGENCY has in place **specific training and awareness approach** to ensure that people within the Organization **know and understand the concepts of fraud and corruption** as defined in this Policy, strengthen their abilities in **detection**, and **know how to behave** in case of concern, by consulting with the Compliance Office or reporting to the *Complaint Reporting Mechanism* as per the *Whistleblowing Policy*.

EMERGENCY is committed to train its personnel with the aim of increasing awareness on **the differentiated** risks of fraud and corruption in the **specific fields** of attribution so to develop **tailored skills** for understanding, detecting, preventing and reporting similar practices.

In particular,

STAFF	TYPE OF TRAINING	PERIOD
HR MO, FOD HR MO AND FIELD, FOD MO AND FIELD GRANTS, FOUNDATIONS AND PROGRAMMING	INTENSIVE (2.5/3 hrs)	AT THE ENTRY AND EVERY 2 YEARS
FOD MO AND FIELD LOG, FOD AND MO PROCUREMENT, FOD MO AND FIELD ADMIN, MO FINANCIAL REPORTING. SPOT CHECK UNIT AND ADMINISTRATION	INTENSIVE (2.5/3 hrs)	AT THE ENTRY AND EVERY 2 YEARS
MCU, EITHER MO AND FIELD	INTERMEDIATE (1.5/2hrs)	AT THE ENTRY AND EVERY 3 YEARS
MO COMMUNICATION AND FUND RAISING	INTERMEDIATE (1/1.5hrs)	AT THE ENTRY AND EVERY 3 YEARS
ALL STAFF	BASIC (1hr)	AT THE ENTRY AND EVERY 3 YEARS
NEWLY RECRUITED STAFF	INDUCTION (30min/1hr)	AT THE ENTRY AND PREFERABLY BEFORE DEPLOYMENT OR WITHIN THE FIRST 3 WEEKS

The Compliance Office is in charge of ensuring that EMERGENCY personnel are adequately trained and it supervises the updating and knowledge of this Policy through refreshers and periodic communications to the personnel on relevant aspects.

As described in the *Recruiting and Training procedure*, the training sessions for EMERGENCY Headquarter and International Staff is recorded in a training file database shared in between Compliance Office and HR FOD. EMERGENCY National Staff involved in projects/missions, the CRO(s) runs periodic informative sessions in the project/mission in which anti-fraud and anti-corruption issues are treated and training file database is shared with Compliance Office.

**EMERGENCY:**

- circulates this Policy and any update thereof to all personnel and it publicizes it on the website;
- incorporates reference to this Policy in induction materials, training sessions for personnel and in other relevant organizational standards of conduct;
- requires actual or prospective personnel to specifically commit to it;
- references this Policy in all contracts. When engaging in partnership, subgrant or subrecipient agreements, the agreements
  - a) incorporate this Policy or the explicit reference to it;
  - b) include the appropriate language requiring such contracting entities and individuals to comply with this Policy;
  - c) explicitly states that the failure of those entities or individuals, to investigate allegations on Fraud and Corruption, or to take corrective actions when Fraud and/or Corruption has occurred, shall constitute grounds for termination such agreements on the part of EMERGENCY.
- establishes and ensures that complaint reporting mechanism is safe, visible and accessible, particularly to participants and suppliers of EMERGENCY programs, and that personnel receiving complaints understand how to discharge their duties. Appropriate action is made to protect persons from retaliation when allegations of Fraud and Corruption are made;
- is committed to regularly inform the personnel and communities on measures taken to prevent and respond to fraud and corruption. Such information should be disseminated *in-country*, and should include details on complaints mechanism, the existence of an internal investigation procedure, the relevant consequences for wrongdoers and the assistance available to whistleblowers.

## **9 DISCIPLINARY SYSTEM**

All EMERGENCY personnel is required to comply with the rules and procedures contained in this Policy, regardless the assigned duty station and the differentiated treatment that different legal frameworks might reserve to this subject.

The type and degree of each sanction sets out below applies upon the degree of substantiated imprudence, imperfection, negligence, guilt or intentionality of the conduct, also taking into account any repetition, as well as the work activity performed and the functional position, together with all the other relevant circumstances that may characterize such a fact.

For EMERGENCY personnel, sanctions apply according to the provisions of the disciplinary system defined in the contracts and into the EMERGENCY Organizational Model. In particular:





- For employees either at main office or in projects, it applies the disciplinary system provided by the national collective bargaining agreements of the “Unione Nazionale Istituzioni e Iniziative di Assistenza Sociale” (so called UNEBA);
- For associates with a collaboration agreement, freelancers with a consulting agreement and volunteers, applies likewise the disciplinary system provided by the UNEBA national collective bargaining agreements;
- For Local Staff, applies the disciplinary system set out in the specific agreement, defined in the HR manuals and based on the Country’s labour law
- For Directors, in case of breach of the Policy by one or more members of the Board of Director or of the Executive Committee, the Compliance Manager informs the Board of Directors and the Supervisory Board, which together shall take the appropriate measures within the limits of the law (e.g. revocation of powers, revocation of the mandate, etc.).
- For suppliers and vendors contractual clauses on the weight of the effects of such substantiated allegations of Fraud and/or Corruption, even if only attempted, apply (e.g. application of penalties or termination of the contractual relationship).

We will alert the appropriate authorities if, following an investigation, we judge that:

- A crime has taken place that is relevant in the legal framework of the place where the crime occurred;
- Those associated with the case will not be subject to violence or inhuman treatment and the *due process of law* is fairly respected.