



cesvi



**POLICY ON THE PREVENTION OF
FRAUD AND CORRUPTION**

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INTRODUCTION: WHY A POLICY FOR THE PREVENTION OF FRAUD AND CORRUPTION

CESVI Foundation – ETS is a humanitarian organisation operating worldwide, which operates driven by the conviction that providing aid to the most vulnerable populations affected by wars and natural disasters not only brings relief to those who are suffering, but also contributes to the well-being of the entire planet, our 'shared home' that needs to be preserved for future generations.

In pursuing its mission, CESVI is committed to combating and preventing any illegal behaviour, while being aware that, like any other humanitarian organisation, it is a potential victim of corruption and is highly exposed to possible fraudulent acts. To prevent this, CESVI promotes a *zero-tolerance* approach towards fraud and corruption and advocates a culture that strongly condemns any action contrary to the principles of transparency, integrity, and fairness.

The decision to adopt a Policy on the Prevention of Fraud and Corruption stems from the need to ensure the quality, accountability, effectiveness and efficiency of the interventions implemented by the Foundation.

To draw on the experience of past years, formalise the *lessons learnt* and reinforce the good practices developed in the wake of fraudulent acts, it has proved necessary for CESVI to adopt, and subsequently review and update, this Policy.

Furthermore, it is essential to raise awareness amongst internal and external stakeholders of conduct that could potentially constitute fraud or corruption, by training them, empowering them, and supporting them in creating an environment impervious to fraud and corruption.

All those to whom this Policy applies must be aware of the risks arising from improper and unlawful practices and of the possible negative repercussions on fundamental aspects such as the organisation's operations, sustainability, reputation, credibility, public image and staff safety.

This document sets out the principles of *integrity, honesty, legality, fairness, independence, neutrality and social responsibility* – fundamental prerequisites for achieving the organisation's *mission* and reflected in the following documentation adopted by CESVI to ensure the achievement of its objectives:

- Code of Ethics;
- Staff Code of Conduct;

- Administrative Manual;
- Procurement Procedures Manual;
- Whistleblowing Policy;
- Human Resources Policy;
- Security Policy;
- Counter-Terrorism Policy;
- Organisational Model pursuant to Legislative Decree 231/01.

Furthermore, CESVI has been a signatory to the Codes of Conduct of the International Red Cross and Red Crescent Movement since 2003.

VALUES, GOVERNANCE, CODE OF ETHICS AND CODE OF CONDUCT

The shared ethical values governing the prevention of fraud and corruption are *transparency, reliability, integrity, solidarity, justice, democracy, legality and impartiality*. At the national and international level, these and other principles are enshrined in the various regulations in force concerning fraud and corruption.

Any action whose effects could directly or indirectly impact project activities and beneficiaries is at odds with the Foundation's **vision** of itself as a 'shared home' where rights are promoted and upheld.

CESVI's Board of Directors is deeply aware of the importance of promoting this vision and has therefore developed various to enable its pursuit, including:

- Governance;
- Code of Ethics;
- Staff Code of Conduct.

CESVI's governance reflects the Foundation's moral principles by creating a working environment that aims to prevent conflicts of interest, the mismanagement of resources and the absence of appropriate oversight.

For this reason, CESVI operates under a dual structure comprising a corporate structure and an operational structure, as reflected in the distinction between the Board of Directors – appointed by the Founders' Assembly and Honorary Members – and the body responsible for operational management. The operational structure itself also embodies this approach internally by appropriately distributing responsibilities and powers, which are periodically reviewed with the aim of minimising the risks associated with conflicts of interest.

The delegated powers to Heads of Department, Area Managers, Regional Managers, Heads of Mission and Project Managers are balanced by the presence of other functions with cross-cutting responsibilities and powers: the Director-General, the Security Advisor, and the

Human Resources, Administration & Finance departments, and in particular the Legal & Compliance department. Furthermore, the Foundation is overseen by various bodies responsible for monitoring the organisation's proper functioning, such as the Supervisory Body – a statutory body established in accordance with the provisions of Legislative Decree 231/2001 – and the Control Body established pursuant Legislative Decree 117/2017. The responsibilities of these statutory bodies are set out in the Foundation's Articles of Association.

The Board of Directors, in addition to promoting an ethical and corruption-free working environment, is responsible for preventing any illegal action. To meet these requirements and provide operational tools, CESVI has adopted both a Code of Ethics and a Staff Code of Conduct.

The Code of Ethics defines the responsibilities the Foundation assumes towards anyone who works with it or benefits from its projects and programmes, outlining the nature and type of relationships, either internal or external, developed on the basis of the organisation's mission, vision, rights and duties, values, principles and guiding principles. This document is supplemented by the Code of Conduct, which encourages the creation of an ethically sound environment in which staff are accountable for their activities and feel empowered to report risky situations and misconduct, whilst providing clear guidance on how to manage situations involving conflicts of interest.

1. DEFINITIONS OF FRAUD AND CORRUPTION

Corruption consists of any act whereby a member of staff, a member of the governing bodies, a volunteer, a consultant, a partner or a supplier offers, promises, requests, receives or accepts money, goods, favours or other undue benefits in order to influence the organisation's decisions, procedures or activities, thereby obtaining a personal advantage or an advantage for others or for the foundation itself, and thereby compromising the lawfulness of its activities, transparency, impartiality and the pursuit of CESVI's institutional mission.

Fraud is any intentional act of deception and/or falsification aimed at obtaining an undue benefit or at misappropriating resources from the organisation, donors or beneficiaries. It may be committed by staff members and related personnel - including volunteers and consultants, members of the governing bodies, partners, suppliers or other parties associated with the Foundation.

2. SCOPE OF APPLICATION

The Policy on the Prevention of Fraud and Corruption applies to all activities, relationships, projects and programmes supported and implemented by CESVI. Those to whom this Policy applies are required to act in accordance with the principles set out in this document whenever they act in the name of or on behalf of CESVI.

This document is primarily addressed to:

- the Board of Directors, the Founders' Assembly, Honorary Members and Management of CESVI;
- employees based in the Headquarters;
- employees and collaborators based in Italy and operating within CESVI's offices and projects in Italy and abroad;
- local project staff working on projects abroad;
- partner organisations, committees and associations – including their members and staff – supported by CESVI, whether financially or otherwise, in Italy and abroad;
- consultants and other self-employed professionals working on behalf of CESVI under service contracts – including consultants and providers of intellectual services;
- all individuals acting on behalf of CESVI on a voluntary basis;
- suppliers of any type of goods or services, including potential suppliers.

Within the scope of this Policy, particular attention must be paid to relations with the public administration and with private entities. As set out in the Code of Ethics, persons acting on behalf of the Foundation are prohibited, among others, from:

- solicit confidential information and improperly influence (i.e. through conduct not provided for in the Foundation's mandate) the decisions of a public institution;
- unduly interfere, in particular by granting, paying or receiving, directly or indirectly, benefits of any kind that go beyond normal commercial or courtesy practices, or which are in any way intended to secure undue favourable treatment in the conduct of any of the Foundation's activities, even where such practices are considered 'customary' in the country in which CESVI operates, including facilitation payments.

3. RULES OF CONDUCT AND GUIDELINES

Those to whom this Policy applies must comply with the following rules of conduct:

- corruption in any form, whether direct or indirect, is prohibited. This includes the unlawful return of part of a payment during the conclusion of an agreement involving money or other benefits ('bribe'), the use of other means or channels for improper services by contractors, suppliers, partners, employees, collaborators or through public officials, as well as the acceptance of bribes for one's own benefit or for the benefit of close relatives;
- direct or indirect donations to political parties, politically active organisations or individuals are prohibited, where the purpose is unlawful and for personal gain. 'Political' donations must be made public;
- gifts, donations and entertainment expenses must not be used for illegal purposes or in any way that could harm the Organisation;
- the payment of bribes or other financial inducements made with the aim of obtaining or expediting a legitimate official procedure is prohibited;
- it is prohibited to make, promise to third parties or accept for oneself or for others – under any circumstances and even if subject to unlawful pressure – payments of sums of money or other benefits in any form or manner, including indirectly, to promote or favour the interests of the Foundation or of third parties in their dealings with the Foundation. The only exceptions to these provisions are gifts of modest value (set at a threshold of €100) where they are attributable solely to acts of courtesy within the context of proper institutional relations and are not expressly prohibited or, in any event, cannot influence the discretion or independence of the third party;
- fraud in any form is prohibited. This includes misrepresentation and concealment;
- Omissions of material facts or concealment of information with the aim of rendering misleading or falsomisleading or false information or statements is not tolerated.

To prevent offences of fraud and corruption, CESVI undertakes to implement the following measures:

- the Founders, members of the Board of Directors and Honorary Members shall base their conduct on the principles of honesty, fairness and transparency;
- the Board of Directors provides the necessary resources and actively supports the Management in implementing this Policy;
- CESVI promotes *due diligence* of partner organisations as a proactive approach to avoiding the risk of committing the offence of corruption;
- CESVI shall assess partner organisations appropriately, particularly at the outset of the partnership, to verify compliance with the principles set out in this Policy;
- CESVI includes, in every employment contract, in every contract for the purchase of goods, the provision of services or the award of works contracts, the provision of intellectual work in professional assignments. Additionally, in every partnership

agreement, a clear reference to the Foundation's values and to this Policy is included (*see Annex 5: Fraud and Corruption: Contracts and Memoranda*);

- CESVI implements its procurement procedures in an honest, fair and transparent manner and complies with its own guidelines and those of the donor regarding the use of public and private funds;
- CESVI manages staff selection and recruitment activities in accordance with the principles of fairness and impartiality, whilst respecting the professionalism and skills of the employee;
- Suppliers, consultants and partners must provide a binding confirmation that they reject corrupt and fraudulent conduct as defined above and have never been convicted of fraud or corruption. Should any illegal conduct occur after the signing of the contract or partnership agreement, CESVI reserves the right to terminate the contract or partnership agreement;
- CESVI has established Complaints & Feedback mechanisms, with a view to continuous improvement through feedback from beneficiaries, including on the management of fraud and corruption within the organisation;
- CESVI pays the utmost attention to the impact of corruption and fraud on staff safety.

Any breach of the above guidelines may result in disciplinary sanctions up to and including the immediate termination of the contractual relationship (warning, dismissal, termination of collaboration, etc.). CESVI undertakes to assess the possible disciplinary actions to be taken against any breach in accordance with Italian law or the laws of the countries in which the Foundation operates, taking into account external variables and the risks that may arise.

Management encourages employees and anyone working with the Foundation to report any breaches or high-risk behaviour that could lead to unlawful or irregular conduct. CESVI states that anyone may report cases of fraud or suspected fraud without fear of reprisal. To this end, secure, easily accessible and reliable channels have been established for reporting offences and irregularities, including those covered by this Policy.

In particular, a dedicated email address, fraud@cesvi.org, has been set up and is managed by the Fraud and Corruption Complaints Handling Focal Point, which guarantees the confidentiality of both the whistleblower and the individuals named in the report during the receipt and handling of the report.

Once a report has been received, the Fraud and Corruption Complaints Handling Focal Point is required to assess its relevance and to involve the Fraud and Corruption Focal Point for appropriate follow-up (see paragraph 7, Handling of Reports).

Please also note that whistleblowing channels set out in the Whistleblowing Policy (2023), including the dedicated whistleblowing platform which allows you to make anonymous reports, may also be used to report breaches or concerns, may also be used to report breaches or concerns.

4. DISSEMINATION OF THE POLICY

CESVI is committed to ensuring that this Policy is adequately disseminated and that the principles set out herein are shared and accepted. It is the responsibility of the Fraud and Corruption Prevention Focal Point to promote its contents to all the Foundation's head office and expatriate staff, who are therefore required to comply with it and actively contribute to its implementation.

The Fraud and Corruption Prevention Focal Point, supported by the Human Resources Department, identifies training needs and plans activities in accordance with the requirements of the Policy and the specific nature of individual situations. Should the Fraud and Corruption Prevention Focal Point deem it appropriate and necessary, following significant amendments to the Policy or regulatory reforms relevant to the Foundation's activities, additional training sessions may be conducted. If the changes are deemed to be of no significant importance, it is sufficient to communicate the changes and circulate the updated document within the Organisation through the appropriate channels.

Regarding local staff, the Heads of Mission, within their respective countries of responsibility, are responsible for promoting awareness of the Policy and organising training and/or refresher sessions.

In this context:

- The Focal Point for the Prevention of Fraud and Corruption is responsible for training head-office and expatriate staff on the contents of the Policy, with the support of the Human Resources Department;
- The Fraud and Corruption Prevention Focal Point, supported by the Human Resources Department, is responsible for assisting Heads of Mission in disseminating the Policy, providing additional training materials where requested;
- The Human Resources Department is responsible for requiring head office and expatriate staff to agree to the Fraud and Corruption Prevention Policy at the time of signing their contract. In addition to confirming receipt of the Policy, signatories undertake to observe the principles set out in the document and to ensure that their staff comply with it;
- The Head of Mission is responsible for disseminating the Policy, which must be available in hard copy or digital format, and is required to ensure that local staff are asked to sign up to the Policy when signing their contract;
- Head office staff, Heads of Mission and on-site Project Managers undertake to promote awareness of and compliance with the Policy amongst partners, consultants and suppliers, and to include clear references to the Policy in employment contracts, partnership and collaboration agreements, and contracts for works, supplies and services;
- The Policy is to be uploaded to the organisation's SharePoint Global and published on the CESVI website.

5. MONITORING AND REVISION

Monitoring of the effective dissemination of the Policy is entrusted to the Fraud and Corruption Prevention Focal Point, which, through monitoring activities, is responsible for verifying the extent to which it has been disseminated.

The Legal & Compliance Department, based on the findings of the verification activities and reports received from the Fraud & Corruption Complaints Handling Focal Point and the Fraud & Corruption Focal Point, from the Supervisory Body and other members responsible for oversight, periodically reviews the Policy, paying particular attention to developments in emerging best practices and the relevant legislation, or in the event of any critical issues identified arising from the activities carried out by the various departments in accordance with their respective responsibilities and competences. Furthermore, the Legal & Compliance Department, in coordination with the Fraud and Corruption Prevention Focal Point, is responsible for submitting to the General Manager any updates or changes made in collaboration with the departments and organisational units involved in the areas subject to amendment. Final approval of subsequent amendments and additions to the Policy rests with the Board of Directors, with the exception of purely formal changes. All procedures and tools currently in use or to be adopted by CESVI must be regarded as a development of, and an integral part of, the organisation's anti-corruption and fraud prevention and management system.

6. HANDLING OF REPORTS

This Policy sets out the general principles for reporting, managing and responding to cases of suspected fraud and corruption.

CESVI ensures that reports can be made through the dedicated channels identified by the Organisation and that they are handled in accordance with the principles of confidentiality, personal data protection and the protection of the whistleblower against any form of retaliation, in compliance with applicable legislation and, in particular, the legislation on whistleblowing.

Reports may be submitted by staff, collaborators, partners, suppliers, beneficiaries and any other stakeholder who becomes aware of facts that may be linked to fraud or corruption. The internal procedures set out:

- the persons authorised to submit a report;

- the available reporting channels, both internal and external;
- the procedures for submitting reports;
- the timeframes within which reports must be made, prioritising promptness over the timing of becoming aware of the matter;
- the procedures for recording, retaining and protecting documentation relating to reported cases.

Any member of staff who receives a report concerning an alleged breach of this Policy is required to report it to the dedicated email address fraud@cesvi.org, which is managed jointly by the Fraud & Corruption Complaints Handling Focal Point and the Fraud & Corruption Focal Point.

All reports are received and handled in accordance with the principles set out above and the procedure described below:

- The Fraud & Corruption Complaints Handling Focal Point carries out a preliminary assessment of the report and, where the report is relevant, involves the Fraud & Corruption Focal Point.
- Should the Fraud & Corruption Focal Point have a potential conflict of interest in relation to a detailed report, the investigation is immediately transferred to the competent function identified in the Whistleblowing Policy, in order to ensure the independence and impartiality of the proceedings.
- Any verification and investigation activities are carried out in accordance with the principles of confidentiality, impartiality, proportionality and the presumption of good faith, ensuring the protection of the rights of all those involved.

IN EVERY STAGE
OF THE PROCESS,
ENSURE:



CONFIDENTIALITY

Protection of
information and
personal data



WHISTLEBLOWER PROTECTION

No retaliation or
discrimination



PRESERVATION OF EVIDENCE

Secure collection
and management
of evidence



IMPARTIALITY

Independence and
objectivity
throughout
the process



COMPLIANCE

Compliance with
applicable laws
and CESVI
policies

1. RECEIPT OF THE REPORT



Report received through the channels
provided for by the Fraud & Corruption Policy:



fraud@cesvi.org



<http://www.cesvi.org/cesviwhistleblowing>



Assessment of whether the report falls
within the scope of the Policy by the
Fraud & Corruption Complaints Handling
Focal Point.



Registration of the report.



Transmission to the Fraud & Corruption
Focal Point.

2. PRELIMINARY ASSESSMENT

The report is assessed to determine:

- reliability of the report
- possible risk of fraud/corruption
- urgency of immediate action
- sufficiency of the information available
- any conflict of interest

IS THE INFORMATION SUFFICIENT?

NO



Request additional information
from the whistleblower
(where possible) or conduct
preliminary fact-finding
activities.

YES



Proceed with the formal
assessment of the case.

3. DOES THE CASE FALL WITHIN CESVI'S MANDATE?

NO

EXAMPLES:

- disputes not related to CESVI
- employment disputes not attributable to unlawful conduct
- complaints falling outside the scope of the Policy



Redirect the case to the
appropriate internal function
or external authority.

CASE CLOSED

YES

4. CASE INVESTIGATION

The investigation is coordinated by the Fraud & Corruption Focal Point, who, in the presence of the Fraud & Corruption Complaints Handling Focal Point, establishes a Case Management Team (CMT), which may involve the relevant functions depending on the type of report (e.g. HR for personnel-related cases, AAC in cases of fraud in fund management, etc.).



Fraud &
Corruption
Focal Point



Fraud &
Corruption Complaints
Handling Focal Point



Relevant functions
depending on
the type of case



Legal &
Compliance



Other
competent
functions

5. CRISIS MANAGEMENT TEAM (if necessary)

A team will be established based on the severity of the report.
Whenever there is a potential crime, the following are involved:



Director
General



Head of the
relevant function



Oversight body
(ODV)

6. OUTCOME OF THE INVESTIGATION

NO EVIDENCE OF UNLAWFUL CONDUCT



Case closed.
Documentation archived.
Whistleblower informed,
where appropriate.

VIOLATION OF THE FRAUD & CORRUPTION POLICY CONFIRMED



- Corrective measures
- Disciplinary measures
- Recovery of assets or losses (where applicable)
- Review of internal controls

SUSPECTED CRIME



- Report to the competent authorities
- Possible initiation of legal proceedings
- Implementation of additional risk-mitigation measures

7. CASE CLOSURE



Investigation report
completed



Documentation
securely archived



Lessons learned
and improvements
identified



Corrective actions
monitored



Director General and
relevant governing bodies
informed, where
appropriate



CESVI Foundation - ETS

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www.cesvi.org