



INTERNATIONAL ANTI-FRAUD POLICY



**ACTION
AGAINST
HUNGER**

DOCUMENT CONTROL			
Policy	International Anti-Fraud Policy		
Approval	International Executive Committee		
Policy Owner HQ	Executive Director		
Policy Owner Country Offices	Country Director		
Effective date	01/05/2023	version	1
Last reviewed and/or updated			
Next review or update (at least every three years)			
Signatories			

This Policy has been approved by Action Against Hunger's International Executive Committee as a Global Network Policy that applies to all Action Against Hunger entities which have signed up to the International Trademark Licensing Agreement, the International Protocols and the International Charter of Principles including its headquarters, regional offices, country offices and their branches and subsidiaries (the "Action Against Hunger Network").

The responsibility for the drafting and updating of this policy lies with the [International Risk Group], approved by the International Executive Committee, and will be reviewed on an annual basis, though may be updated on an "as needs basis" should revisions be required.

TABLE OF CONTENTS

INTRODUCTION	4
POLICY STATEMENT	4
COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS	4
PURPOSE & SCOPE OF THE POLICY	5
PURPOSE	5
SCOPE OF APPLICATION	5
DEFINITIONS	5
POLICY PRINCIPLES	7
ZERO TOLERANCE	7
DUTY TO REPORT	7
CONFIDENTIALITY & PROTECTION	7
TRANSPARENCY	7
ENABLING ENVIRONMENT	9
PREREQUISITE AND REQUIREMENTS	9
INFORMATION	9
PREVENTION	9
QUALITY, ACCOUNTABILITY & LEARNING	10
ESCALATING CONCERNS	10
HANDLING CONCERNS	10
DISCIPLINARY MEASURES	11
LEGAL ACTION	11
RECOVERY OF LOSS	11
PARTNERS & CONTRACTORS	11
ROLES AND RESPONSIBILITIES	13
APPENDICES	15
LIST OF ASSOCIATED POLICIES	15



INTRODUCTION

POLICY STATEMENT

Action Against Hunger is committed to implementing and promoting the highest standards of ethics, openness, transparency, and accountability in all our actions.

The development and implementation of an anti-fraud culture is crucial to the promotion of ethical behaviour, safeguarding our resources, fighting fraud, and respecting our commitment to our stakeholders: including beneficiaries, donors, partners, contractors, suppliers, employees, representatives, and members. We take any acts of fraud very seriously and will take action to vigorously investigate and manage any violations or alleged violations of this Policy.

Fraud is an ever-present threat to Action Against Hunger and we require employees and representatives to act with honesty and integrity to safeguard the organisation's resources. Management within our Headquarters, Country Offices and other Action Against Hunger entities are responsible for implementing and ensuring compliance with this Policy. Each member of the management team is required to familiarise the types of irregularities that might occur within their area of responsibility, to be attentive to any indications of irregularity and to ensure corrective measures are implemented.

Action Against Hunger regularly reviews this Policy and its relevant protocols and processes to integrate best practices and improvements in tackling fraud.

A zero-tolerance approach applies and all appropriate measure to deter Fraud will be implemented.

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Action Against Hunger's policy is to comply with all applicable laws and relevant donor requirements pertaining to fraud, bribery, and corruption.

We must be mindful of the laws of the countries in which we operate. Many countries have enacted laws prohibiting fraud, bribery and corruption which apply to us because of our status in those countries¹.

This Anti-Fraud Policy will be listed as reference in our Internal Rules and Regulations, Code of Conduct, Contracts with partners and vendors, Good Business regulations and other relevant documents.

In the event of any perceived difference between the requirements of this Policy and any legal requirement, Action Against Hunger should always act in accordance with the highest applicable standard.



¹ The UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977, among other standards, impose stringent requirements on Action Against Hunger entities and staff.



PURPOSE & SCOPE OF THE POLICY

PURPOSE

The purpose of this Policy is to promote the development, implementation and regular review of fraud prevention, detection, and response strategies and to uphold consistent organizational behaviour in response to actual or alleged cases of fraud.

This Policy sets out the standards, processes and actions that apply to all Action Against Hunger employees and representatives in relation to fraud and how they should respond when a fraud is detected or alleged.

For the purposes of this policy, **'Representatives'** are defined as volunteers, interns, consultants, individual and corporate contractors, board members and other representatives associated with the delivery of our work.

This Policy is not location specific and includes cyber-Fraud.

This policy also intends to guide Action Against Hunger employees and representatives who may suspect, identify, or suffer from a Fraud where it relates to Action Against Hunger activities and reminds main expected behaviours from each employee or representative. Action Against Hunger commits to address and prevent fraud through four pillars:

- **INFORMATION:** Ensuring all employees, Representatives, partners, and other external stakeholders are aware of this Policy, their own obligations, and the obligations of Action Against Hunger in relation to fraud.
- **PREVENTION:** Ensuring that all employees, Representatives, partners, and other external stakeholders receive appropriate anti-fraud training commensurate to their roles and responsibilities.
- **ESCALATING CONCERNS:** Ensuring that all employees, representatives, and other external stakeholders are aware of and have access to a safe, confidential, and transparent mechanism to raise concerns in relation to fraud.
- **HANDLING CONCERNS:** Ensuring all concerns are handled in a timely, professional, and confidential manner and that appropriate corrective actions and disciplinary measures are taken.

SCOPE OF APPLICATION

This Policy applies to all Action Against Hunger employees and Representatives, all Action Against Hunger International network entities, including all Headquarters, Regional and Country offices.

External stakeholders including partners, consultants, individual and corporate contractors, or representatives that enter into a relationship with Action Against Hunger are required to comply with the standards set out in this Policy.

Action Against Hunger shall ensure that any external parties with whom it enters into a partnership, contract, or grant agreement with, or any organisations that we work with in delivering our programs, and all of their staff and associated personnel, will be required to comply with this policy or demonstrate that they have equivalent or higher anti-fraud and corruption policies and procedures in place.

DEFINITIONS

The definition of fraud and corruption varies among countries and jurisdictions, and the term is commonly used to describe a wide variety of dishonest practices. The following definitions apply in this Policy.

FRAUD

Fraud is any act or omission, involving either false representation, failing to disclose information, or abuse of position with the intention of deceiving or cheating someone, in order to make a gain or cause a loss to another. The Fraud circumvents legal obligations or Action Against Hunger internal rules or regulations.

The deception or cheating may or may not necessarily involve or result in the direct loss of funds or other assets belonging to Action Against Hunger. The benefit can be for oneself or other/s, in kind, cash, influence, power or otherwise.

CORRUPTION

An employee or representative misuses its influence or position in a way that violates its duty to the employer in order to gain a direct or indirect benefit. Corruption is the abuse of entrusted power or position for private gain.



The term corruption is broad does not just relate to financial wrongdoing. It can include the offences of bribery, as well as extortion, embezzlement, and other forms of “corrupt” behaviour. Acts of corruption or bribery are designed to influence the individual in the performance of their duty and incline them to act dishonestly.

ASSET MISAPPROPRIATION

An employee or representative steals or misuses the organization’s resources (e.g. theft of cash, false billing schemes, inflated expense reports, larceny, equipment misuse, etc.).

FRAUDULENT STATEMENT

An employee or representative intentionally causes a misstatement or omission of material information in the organization’s documents (e.g., recording fictitious revenues, understating reported expenses, or artificially inflating reported assets, etc.).

More details on the different types of Fraud can be found in the Fraud Policy toolbox: Fraud categories, sub-categories, and definitions. If there is any question as to whether an action constitutes fraud, contact the relevant personnel or service in your Organisation for guidance.





POLICY PRINCIPLES

ZERO TOLERANCE

Fraud in all its forms is wrong and is unacceptable. Action Against Hunger has zero tolerance towards all forms of fraud and corruption. All instances of actual or suspected fraud and corruption will be treated with extreme rigor whether the allegations originate from internal or external sources.

DUTY TO REPORT

As detailed in the section “Escalating Concerns” (p.10), all Action Against Hunger employees and Representatives are required to report any concerns or suspicions of behaviour that is inconsistent with this Policy to their manager, or to the alternative reporting line set up by their office.

CONFIDENTIALITY & PROTECTION

Action Against Hunger treats all information received through our reporting channels confidentially, and information is shared on a need-to-know basis.

Action Against Hunger is committed to the assurance of confidentiality, professionalism and non-retaliation and will take steps to protect the identity of persons associated with any concern raised under this Policy. Information relating to the concern and subsequent case management will be shared on a need-to-know basis only and will be kept secure at all times (including, for example, the use of coded names and password protections where appropriate).

Investigation results are not disclosed or discussed with anyone other than those who have a legitimate need to know. A threat analysis including threats for the victim/s, whistle-blower/s, subject/s of complaint, investigation team, other Action Against Hunger employees or Representatives and other stakeholders potentially connected with the concern will be systematically conducted before deciding upon any action.

In accordance with the principle of the presumption of innocence, subject(s) of concern is/are considered innocent until the administrative and/or legal investigation has been concluded.

Any person reporting in good faith pursuant to this Policy shall be protected from

retaliation. Reports of misconduct or concern should be made without fear of harassment, demotion, dismissal, disciplinary action, remedial action, suspension, threats, or any method of retaliation by any party.

Action Against Hunger will not tolerate any retaliation against an employee for making an allegation of fraud, bribery, or corruption in good faith.

TRANSPARENCY

Action Against Hunger commits to reporting instances of actual or alleged fraud (and the outcomes of any related investigation) to potentially impacted donors, regulators and/or other third parties (such as a consortium lead or another Action Against Hunger International Network member) in accordance with legal, contractual, and regulatory obligations and in respect of applicable laws regarding employment, privacy presumption of innocence and data protection.







ENABLING ENVIRONMENT

PREREQUISITE AND REQUIREMENTS

INFORMATION

INTERNAL

To ensure that all employees and Representatives, regardless of their employment type or nature of their role, are aware of this Policy including expected behaviour and reporting procedures, they will be issued with the Policy at the start of their employment and receive information relating to this Policy as part of their orientation/induction into the Organization.

Current employees and or Representatives will receive the Policy when they renew their contract or engagement or when a revision of the Policy has occurred.

EXTERNAL

Action Against Hunger shall ensure that any external parties with whom we enter into a partnership, contract, or grant agreement with, or any organisations that we work with in delivering our programs will be required to comply with this Policy or demonstrate that they have equivalent or higher policies and procedures in place.

External stakeholders, such as partners and contractors, shall be informed about (i) this Policy; (ii) the behaviours they should expect from Action Against Hunger's employees & Representatives; and (iii) the procedures for raising concerns relating to fraud.

COMMUNITIES AND PEOPLE WITH WHOM ACTION AGAINST HUNGER WORKS

Action Against Hunger will conduct activities to raise awareness among beneficiaries and local communities in relation to fraud and our relevant policies and procedures.

Awareness raising activities may include: i) beneficiary rights (for example the right to be treated with respect, the right to report inappropriate behaviour etc.) ii) prohibited behaviour of employees, Representatives, partners, and contractors; iii) and how to raise complaints (e.g. helplines, relevant contact details etc.).

Communication messages, materials and channels will be adapted to the various target audiences, including children, using relevant languages and a communication style that is appropriate and accessible to the audience, especially those groups considered to be at higher risk.

Main actions & expected results

- This Policy is issued to all new employees and to all existing employees at renewal of their contract.
- All employees & Representatives know their rights and obligations.
- External stakeholders are informed about the content of this Policy when they enter into relationship with Action Against Hunger.
- Communities and people we work with are fully aware of the expected behaviour of Action Against Hunger employees, Representatives, partners, and other contractors.
- Communities and people we work with know their rights under this Policy.

PREVENTION

Action Against Hunger takes steps to prevent fraud through three axes:

PROCEDURES AND SEGREGATION OF DUTIES

Action Against Hunger's management will set up procedures and organisation of work defining clear Roles and Responsibilities and allowing an appropriate segregation of duties in the conduct of our activities.

INTERNAL CONTROL

Internal control is essential to ensure the respect of procedures.

Every manager is responsible for preventing and proactively detecting incidents or weaknesses in their area of responsibility, generating a subsequent deterrent effect.

Managers must (i) ensure their subordinates are appropriately trained and supervised in their work; (ii) ensure the implementation of Action Against Hunger Policies, internal rules, and regulations; and (iii) ensure that any compliance issues are identified and resolving in accordance with the relevant policies.

SENSITIZATION & TRAINING

In addition to induction and orientation into the Organisation, Action Against Hunger takes a pro-active stance to the prevention of fraud by sensitizing all employees and



Representatives in relation to fraud. It is important that all are able to identify a fraud, understand their duty to report and know how to raise a concern.

In-person training and regular refresher sensitizations are implemented to ensure that all employees and Representatives are familiar with and understand the Policy.

The content of the training is adapted to the respective role, area of responsibility and level of exposure to fraud. Employees' exposure to fraud is assessed regularly and subsequently tailored internal or external trainings are implemented to mitigate the risk of fraud for the most exposed personnel or departments.

Main actions & expected results

- Procedures, roles, and responsibilities ensure adequate segregation of duties.
- Routine and ad-hoc internal controls are implemented to ensure policies & processes are implemented and respected.
- Regular fraud risks assessments are conducted to identify the main areas of exposure, implement appropriate mitigation measures, and adapt the trainings and sensitizations accordingly.
- This Policy is explained to all employees & Representatives at hiring and throughout staff life cycle within Action Against Hunger.
- Employees & Representatives know what behaviours are expected from them, their colleagues, partners, and contractors.

QUALITY, ACCOUNTABILITY & LEARNING

ESCALATING CONCERNS

Action Against Hunger employees, Representatives & external stakeholders have access to safe and responsive mechanisms to escalate complaints that meet their needs and preferences to the extent possible.

Those mechanisms need to encourage safe and confidential reporting, prevent potential repercussions (e.g. losing job, assistance, retaliation...).

Both internal and external reporting mechanisms to facilitate reporting can be used. Reporting mechanisms need to ensure: i) Safety for all parties involved; ii) Confidentiality; iii) Transparency and iv) Accessibility.

People should also have the option of anonymous reporting. While an anonymous complaint may be more difficult to investigate and verify, Action Against Hunger will make every concerted effort to ensure it follows standard recommended procedures to address and action.

INTERNAL

Any Action Against Hunger employee or representative is informed on how to raise a concern and about the different reporting and grievance channels available to escalate a concern.

Any Action Against Hunger employee or representative who is victim, discovers, witnesses, is informed or suspects a Fraud has the duty to report according to the appropriate channels and in line with established procedures.

EXTERNAL

External stakeholders such as partners and contractors have access to reporting channels if they are victim, witness or are informed about a Fraud or attempted Fraud from an Action Against Hunger employee or representative.

COMMUNITIES AND PEOPLE WITH WHOM ACTION AGAINST HUNGER WORKS

Beneficiary and local communities can report any Fraud, Fraud attempts, mal-functions, or abuses through feedback mechanisms set-up by Action Against Hunger on the field.

Action Against Hunger commits to implement feedback mechanisms adapted and designed with communities and their constituents (e.g. men, women, children, elders...) everywhere we work.

Main actions & expected results

Known & functioning internal and/or external complaint / whistleblowing system are in place so that

- Employees & representatives can safely raise their concerns.
- External stakeholders are confident to report any concern.
- Community and people with whom Action Against Hunger works are confident to report any concern.

HANDLING CONCERNS

ANALYSING THE CONCERN AND EVALUATING THE RISKS

When a concern is raised, after acknowledging the complaint to the complainant, the Senior Management Team shall:

1. Analyse the details of the complaint: Are they specific & serious enough to justify an investigation? What could be the amplitude of the fraud (financially, in terms of program implementation, security, reputation or for the persons potentially involved)? What is the potential breach of Action Against Hunger rules and regulations? Is there possibly, an offence under national or international law/s?



2. Conduct a threat analysis including threats for the victim/s, whistle-blower/s, subject/s of complaint, investigation team, other Action Against Hunger employees or representatives, partners and other stakeholders potentially connected with the concern.
3. Fully debrief the complainant, getting as much details as possible, identify witnesses.
4. Make sure that all evidence is properly logged in secured and accounted for, including electronic evidence & that the sources of evidence are recorded.
5. Implement immediate measures to prevent the fraud and to protect all parties involved.
6. In consultation with the relevant Headquarters personnel or unit, decides whether to investigate or not and to refer the case to the relevant law enforcement authorities or not².

INVESTIGATION

Carrying out appropriate investigations is essential to implementing a zero-tolerance policy to fraud and increasing accountability for violations of this Policy. The purpose of investigations is to gather evidence to establish whether allegations are substantiated and whether any proven incidents are isolated or more widespread.

All actual or alleged instances of fraud will be appropriately investigated in a timely manner after considering the severity and credibility of the available information and assessed threats.

If the Senior Management team decides to pursue an investigation, it will appoint an independent, investigation team composed of internal and/or external resources with clear Terms of Reference. Investigation will be generally led by the appropriate function to which the fraud is related (e.g. finance, programs, logistics) with input from management and external resources as necessary, including, but not limited to, legal counsel, external audit firms, etc.

External investigator(s) may be appointed if the independence of the investigation cannot be guaranteed by an internal investigation, or due to a lack of internal resources or if the nature of the alleged fraud requires specific skills or expertise.

Any employee who suspects dishonest or fraudulent activity notifies Action against Hunger immediately with confidentiality and do not attempt to personally conduct investigations or interviews related to the suspected fraudulent act.

DISCIPLINARY MEASURES

Based on the investigation report, all instances of proven fraud involving Action Against Hunger employees will be subject to disciplinary sanctions up to dismissal.

The deliberate abuse of reporting mechanisms and/or failure to disclose information in accordance with this Policy may be subject to disciplinary sanctions.

LEGAL ACTION

According to each local law and context, Action Against Hunger may take legal action against the fraudulent persons or entities to the relevant local or international law enforcement authorities. In the case of Country Offices, this decision should be taken with approval of the relevant Headquarters Office.

RECOVERY OF LOSS

Where Action Against Hunger has suffered losses, the restitution of undue benefits obtained, and the recovery will be sought from the individual(s) or organization(s) responsible for the loss. If the individual or organization is unable or unwilling to compensate the damage, civil proceedings will be considered to recover the losses.

Main actions & expected results

- All concerns are acknowledged to the complainant.
- A risk assessment is conducted before deciding on the handling of a complaint.
- Confidentiality and protection are ensured for all parties involved to the extent possible.
- Disciplinary actions and/or Legal proceedings are implemented to the extent possible.
- External stakeholders are informed according to their requirements in respect of applicable laws.

PARTNERS & CONTRACTORS

Contracts with partner organizations, contractors, suppliers or consultants make explicit reference to the existence of this policy and include specific clauses such as: i) commitment to the prevention of fraud; ii) fostering an anti-fraud culture; iii) maintaining a requirement to report cases of fraud that arise in their dealings with Action Against Hun-

² Organizations may choose not to refer a case to local law enforcement if they believe the local context or the country's governance or legal structures are not robust enough to protect the persons involved in the case or even put them in danger. In cases where it is determined not to report to local authorities, it is advisable to consult with a lawyer and keep documentation and evidence to support the decision.



ger or that in any way involve the resources (including reputation) of the organisation or our Donor/s; iv) applicable measures in case of failure to respect its obligations (compensation, referral to law enforcement authorities, suspension or termination of contract, etc.).

Partners are expected to adhere to Action Against Hunger standards or to have their own if they meet Action Against Hunger standards. Due diligence of partner includes checking the existence of an anti-Fraud Policy.

Partners and contractors are responsible for:

- The behaviour and trainings of their employees and representatives. Action Against Hunger may be able

to provide support in some circumstances where this is appropriate.

- Investigating cases of Fraud or Suspicion of Fraud that involve their own employees or representatives. Action Against Hunger may be able to provide support or appoint someone to be part of the investigation team if needed.
- Take legal and disciplinary actions as appropriate.

All contracts with partners should either include a copy of this policy as an attachment or clearly specify where a copy can be obtained.





ROLES AND RESPONSIBILITIES

	Roles and responsibilities
Employee & Representative (HQ & Country offices)	<ul style="list-style-type: none"> Knows and stays informed about Action Against Hunger policies, rules and regulations and their updates. Does not engage in fraud either actively or passively. Reports immediately any suspected or actual fraud according to the appropriate channels and in line with established procedures. Promptly discloses any real or apparent conflict of interest that affects their responsibilities. Assists in any investigations by making available all relevant information and by cooperating in interviews. Ensures respect for the principles of confidentiality and non-retaliation.
Manager (HQ & Country offices)	<p>Same as Employee and</p> <ul style="list-style-type: none"> Fosters an anti-fraud culture among staff under his/her supervision. Ensures respect for implementation of this policy and segregation of duties. Ensures internal control in his/her field of expertise and according to its roles & responsibilities.
Senior Management Team (HQ & Country offices)	<p>Same as Manager and,</p> <ul style="list-style-type: none"> Under the supervision of the Country / Executive Director: Acknowledges fraud concerns. Takes decision on how to handle fraud concerns.
Country Director (Country offices)	<p>Same as Senior Management Team and</p> <ul style="list-style-type: none"> Owner of the Policy at Country level. Ensures the implementation of the Policy with support from relevant Headquarter senior management. Fosters an organizational culture that does not tolerate Fraud. Reports to the relevant bodies internally and externally in coordination with their HQ without delay all instances of Fraud or suspicion of Fraud. Media Communication is decided with the relevant HQ. Validates, in coordination with the relevant HQ, on the legal and disciplinary actions.
Executive Director (HQ)	<p>Same as Country Director and</p> <ul style="list-style-type: none"> Owner of the Policy and accountable to the Board. Ensures the development of an organizational culture that does not tolerate fraud. Establishes reporting channels and protocols for efficient management of these complaints. Establishes specific protocols for the management of anonymous complaints. Ensures that proportionate resources are allocated for implementation of the Policy.





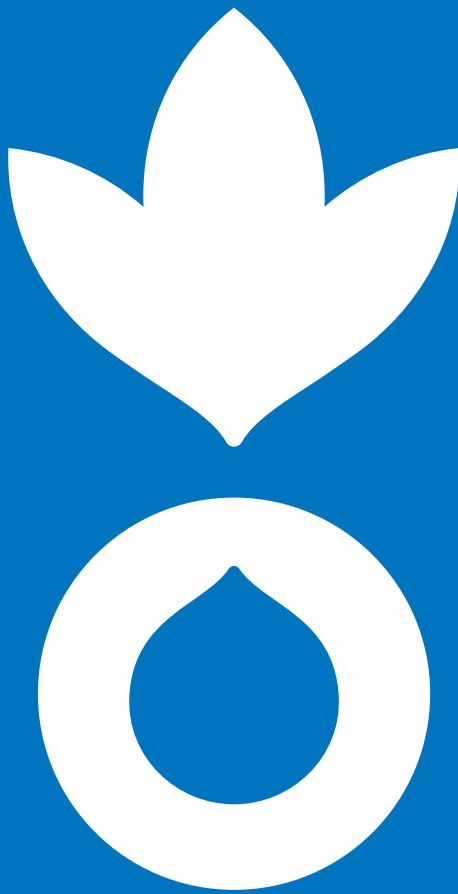
APPENDICES

LIST OF ASSOCIATED POLICIES

This Policy works with a set of policies, rules, and regulations of Action Against Hunger that all Action Against Hunger employees and representatives are required to know and adhere:

- Action Against Hunger International Network Charter of Principles, Codes of Conduct (or equivalent).
- Action Against Hunger International Network Safeguarding Policy (including PSEA and child safeguarding policies as annexes).
- Action Against Hunger Whistleblowing Policy (or equivalent).





**FOR INTEGRITY
AGAINST FRAUD.**

**FOR FREEDOM FROM HUNGER.
FOR EVERYONE.
FOR GOOD.**

**FOR ACTION.
AGAINST HUNGER.**