

Anti-Corruption and Anti-Fraud policy

Developed	2017-09
Latest review	2024-03
Approved by / date	CN – Senior Management / 18 March 2024
Document Owner	Financial Director
Responsible Case Handler	Compliance Advisor
Next review due	Latest 2026-03

Contents

Introduction.....	3
Who does the anti-corruption and anti-fraud policy apply to?	3
What is Corruption?	3
Typical forms of corruption:.....	4
Zero-tolerance principles	4
Principals and measures to avoid corruption and fraud	5
Reporting and procedures.....	6
Whistleblowing and duty to report.....	6
CN reaction in case of suspected or verified incompliance	8
Who may CN react towards?.....	8
Duty to investigate	8
Duty to suspend	8
Duty to sanction	9
Other documents and tools for compliance	9
Internal documents	9
External reference documents.....	10

Introduction

Caritas Norway (hereafter CN) wants to send a clear signal, both internally and externally, that there is zero-tolerance for corruption and fraud. CN is accountable for all funds it receives to improve the lives of vulnerable people living in poverty and other challenging situations. CN therefore works continuously to prevent conditions that contribute to corruption, human rights violations, harassment, discrimination and the like.

Corruption and fraud in all their forms are in their essence unethical and contrary to the values and principles of CN. They violate others' legitimate rights and prevent the realization of the common good, e.g. in the form of legal rights.

CN, as a member of Caritas Internationalis, is part to the International Non- Governmental Organisations' Accountability Charter, promoting the principles of transparency and accountability.

CN also adheres to the Caritas Internationalis Management Standards, developed to promote ethical behaviour, good governance, sound financial management, accountability, and stakeholder involvement.

Furthermore, CN is obligated to report yearly on fundamental human rights and working conditions as stipulated by the Norwegian [Transparency Act](#). The Transparency Act promotes respect for human rights, decent working conditions and providing the public with access to information.

Who does the anti-corruption and anti-fraud policy apply to?

- **All CN staff** must commit to this anti-corruption and anti-fraud policy and are not allowed to be involved in any corrupt practices as defined in this policy.
- **CN management must lead by example.** The responsibility for securing that CN's anti-corruption compliance programme is made known in the organisation and that anti-corruption work and awareness regularly is on the agenda. The Financial Director is focal point and responsible for the daily handling and promoting of the anti-corruption work.
- **CN selects partners and suppliers and expects them** to share and comply with this zero-tolerance policy, and will promote discussion and understanding of this position with partners when necessary.

What is Corruption?

CN follows Transparency International's definition of corruption *as the abuse of entrusted power for private gain*. This can be the abuse of power, money or position for illegitimate -personal and group benefits. CN's definition and understanding of corruption is in line with the definition of Norwegian criminal law, and CN is committed to following international conventions, principles and standards and international conventions.

Corruption includes:

- all forms of financial gain, such as bribes, embezzlement, extortion, kickbacks and fraud.
- non-financial gain such as all forms of nepotism, sexual benefits, memberships, and illegitimate favouritism of groups or employees based on ethnicity, religion, gender, political affiliation, or other identity.
- This list is not exhaustive and does not mean that something not listed here is allowed.

Corruption is understood as both the act of giving and receiving such benefits.

Typical forms of corruption:

- **Conflict of interest** arise in situations where a person has a private interest that could potentially affect or appear to influence the impartial and objective performance of his or her official duties. Private interests include benefits for oneself or one's family, relatives, friends and persons or organizations to which they have or have had business or political affiliation.
- **Bribery** is the offering, giving (active bribery), receiving, soliciting or accepting (passive corruption) something of value for the purpose of influencing an official's actions in the performance of his or her public and statutory tasks.
- **Extortion** occurs when someone illegally demands or receives money or property using intimidation. Extortion can include threats of physical or material damage, threats to accuse someone of a crime or threats to reveal embarrassing information.
- **Fraud** is the use of deception to gain an advantage (financial or other advantage) to avoid an obligation or to be responsible for someone else's loss. This involves being deliberately dishonest, misleading, or deceitful, rigging or acting under false pretence.
 - o Submitting falsified documentation
 - o Misrepresenting educational qualifications or making material omissions or false inclusion related to professional qualifications
 - o Changing or manipulating project results in a monitoring and donor report
- **Embezzlement** is the misappropriation or misuse of property or funds legally entrusted to a person by virtue of his or her position.
- **Corruption in connection with gifts** covers cases where a gift or other financial benefit being offered, given, requested or received, with the expectation to get a favour in return. Gifts and hospitality may itself be an expression of corrupt behaviour. It can be used as a means of promoting corruption, or it may be perceived by others as corruption. Gifts include cash or assets given as gifts or political or charitable donations. Hospitality may include meals, hotel nights, flights, entertainment or sporting events.

Nepotism is favouritism of family or friends without regard to their skills. Family and friends are treated favourably because of the close personal relationships rather than a professional and objective assessment of their skills and attributes.

Zero-tolerance principles

CN practices a zero-tolerance policy on corruption and fraud. CN is aware that corruption and fraud takes place in all societies, including the Church, and thus works actively to prevent corruption and fraud, and reacts with a clear stance and concrete action when corruption and fraud are discovered.

As part of the accountability from CN's partners, CN makes sure that the principle of zero tolerance on anti-corruption and fraud is well communicated, understood and that the partners follow up on this. This anti-corruption and anti-fraud policy, together with the Code of Conduct, serves as a prevention tool and commitment to hold ourselves and our partners accountable.

As part of CN's ongoing financial monitoring of its partners, the financial assessments will include reviewing partners internal control systems to secure that there is as low risk as possible for any financial irregularities within our projects. CN does its utmost to prevent and stop financial irregularities.

Principals and measures to avoid corruption and fraud

Dissemination

- CN will actively promote its anti-corruption and anti-fraud policy and related documents to all employees, partners, donors and suppliers.
- These documents are available on CN's website and other relevant communications platforms.
- CN will actively present and discuss this policy in all relevant forums it takes part in.

Formal commitment in writing

- Every employee commits to our anti-corruption and fraud policy when signing the employment contract confirming that the policies are understood and respected., Confirmation will include, explicitly, understanding their own role and responsibility to report on corruption and fraud. The signed declaration will be kept in the personnel folder of each staff member. This includes not only regular staff, but also workers and contractors affiliated with CN.
- All CN staff must internally and externally work in order to prevent corruption and fraud, and promote the principle of zero tolerance, ensuring clear rules and transparency within their field of work.
- CN's partners are expected to have similar policies and must sign our policy in conjunction with the signing of the partner agreement.
- Direct suppliers to CN must complete the form Ethical Standards for Suppliers- Self-declaration and CN Declaration of Good Conduct. They are expected to have anti-corruption and anti-fraud policies and to share these with CN upon request. Our partners are responsible to ensure that their suppliers have such policies, and CN reserves the right to verify this.

All suppliers who participate in a tender process must submit a self-declaration form (see documents Ethical Standards for Suppliers - Self-Declaration and Declaration of Good Conduct).

Training

- New employees of CN will be given training in existing anti-corruption and anti-fraud policies and practices during their inception phase.

- Existing employees will be given refresher courses every two years, and workshops and presentations will be held periodically focusing on knowledge and expertise sharing.
- Partners are expected to offer such training to their own employees. CN will provide partners capacity building in anti-corruption and anti-fraud, and training if necessary.

Mainstreaming anti-corruption in management procedures

- CN's management must lead by example and ensure the development of systems, structures practices and culture that promotes trust and eliminates corruption. The management is the focal point and responsible for the daily handling and promoting of the anti-corruption and fraud work. Regular awareness raising regarding anti-corruption and fraud is on the management's agenda and a priority.
- Anti-corruption and anti-fraud work will be mainstreamed in all management procedures.

Reporting and procedures

As part of CN's accountability to donors, the organisation is obligated to inform its donors immediately on corruption cases effecting their funds and when there is a reason to believe that an allegation should be taken seriously, before a full investigation has been launched.

CN's misconduct reporting and investigation procedures must be followed by us and our partners.

CN and partners are required to report any substantial allegations of corrupt and fraudulent practices as required to the Control Unit in NORAD and MFA, or similar mechanisms with any other donor.

Different ways of reporting

CN is familiar with different ways notifications regarding corruption and fraud can reach us. Some examples include a report from an office, whistleblowing report, identified as part of a local audit, compliance audit, financial monitoring from CN, word of mouth, as well as reports from outside of the organisation (the public, partners and suppliers).

Whistleblowing and duty to report

We work continuously to strengthen our control and whistleblowing procedures and to prevent and expose corruption, misuse and abuse. Anyone who experiences or suspects misconduct is encouraged to report it. If the problems cannot be resolved through internal dialog between parties, a report can be sent to our digital whistleblowing channel - [Caritas External whistleblowing](#) .

A report goes to the Secretary General of Caritas Norway and is processed by a committee of three people appointed by the Board of Caritas Norway.

Who can make a complaint under this policy?

- Anyone who is impacted by activities carried out by CN
- Staff and associates, hired consultants, participants, and others associated with CN's activities
- CN's partner organizations
- Donors and public
- Supporters and stakeholders

Reporting obligation

Any staff or associate who has knowledge or suspicion of a potential breach of CN's policies has an obligation to report the concerns.

Examples of what can be reported regarding anti-corruption and fraud as well as other issues:

- Corruption or other economic crimes
- Financial irregularities
- Conflict of interest
- Extortion and bribes
- Violation of CN's ethical guidelines (Code of Conduct)
- Abuse of authority
- Unsafe working environment
- Violation of data protection/security
- Bullying
- Harassment
- Unwanted sexual attention
- Discrimination
- Violence
- Conditions threatening life or health
- Environmental or climate hazards

All complaints, whether sensitive or non-sensitive, will be handled in a confidential manner. Confidentiality is paramount to guarantee safety to complainants, whistle blower, witnesses and subjects of complaints. If preferred, a report can be submitted anonymously. All reports will be presented to the Secretary General of CN, who is responsible for ensuring that the report is handled

in accordance with our reporting guidelines. Furthermore, measures will be taken to protect complainants, whistleblowers, witnesses and subjects of complaints and, if necessary, to prevent retaliation.

Those who submit a report will receive a confirmation receipt and information about the following steps.

For more information and details about our whistleblowing procedures, we refer to CN Whistleblowing guidelines.

Manager and responsible staff

Whistleblowing reports by employees or CN partners, can be done through the external digital whistleblowing channel or directly to:

- Line-manager or any member of CN Senior Management
- Any appointed non-management staff representatives (anti-corruption and fraud focal point)
- HR-advisors (employees only)

CN employees can also report through the internal digital whistleblowing channel.

CN reaction in case of suspected or verified incompliance

Who may CN react towards?

- CN has the duty to react on corrupt and fraudulent practices or suspected corrupt and fraudulent practices by its own employees.
- We reserve the right to react on corrupt and fraudulent practices or suspected corrupt and fraudulent practices by our partners and suppliers.

Duty to investigate *(and involve law enforcement authorities)*

- CN practices the principle of “Duty to investigate” whereby all reported cases or suspected cases of corruption and fraud will be duly investigated and decisive will be taken. Whistleblowers will be respected and protected.
- We will draw upon relevant external competence and/or authorities to investigate such cases (s.a. auditors)
- CN will report to the national law enforcement authorities all cases where breach of law is suspected.
- In the case of suspected corruption/fraud or actual corruption/fraud under the responsibility of partners, CN will only intervene directly if the partner does not take pertinent action within reasonable time.

Duty to suspend *(staff contract, partnership contract, supplier contract)*

- CN practices the principle of “duty to suspend”, whereby we will suspend any employee, partner, or supplier from their role with CN subject to investigation as described under Duty to investigate, until such investigation confirms corrupt/fraudulent practices or wrongful actions.

- We expect our partners to practice this principle, and we will only react if such measures are not taken within reasonable time.

Duty to sanction *(in case of verification)*

In the cases where corrupt practices have been proven, CN reserves the right to demand:

- Repayment of misused funds
- Cancellation of contract with relevant partners
- Dismissal of CN staff involved in the case
- Report the case to relevant authorities
- Report the case to Caritas Internationalis
- Assessment of corruption and fraud allegations

All cases will undergo a preliminary assessment before deciding of the course of action. The steps will depend on the nature of the allegations and the outcome of this preliminary assessment.

Other documents and tools for compliance

CN has several documents and tools to support its anti-corruption and anti-fraud work. The organisation is aiming to establish a comprehensive risk management system to support the anti-corruption and anti-fraud policy.

Internal documents

Document name	Language	Comment
Caritas Norway Anti-corruption and Anti-Fraud policy	English	This document
Caritas Internationalis Code of Conduct & Conduct of Staff	English	
Caritas Internationalis Management Standards	English	Covers: MS 1: Laws and ethical codes; MS 2: Governance and organisation; MS 3: Finance and accountability; MS 4: Stakeholder involvement; MS 5: Safeguarding.
Caritas Norway Procurement Policy	English	
Ethical Standards for Suppliers - Self-declaration	English	Annex to Procurement Policy
Ethical Standards for Partners – Self-declaration	English	Annex to Procurement Policy
Caritas Norway Declaration of Good Conduct	English	Annex to Procurement Policy
Caritas Norge Gaver fra eksterne	Norwegian	
Caritas Norge Varsling eksternt og internt	Norwegian	

Document name	Language	Comment
Caritas Internationalis Anti-Harrassment Policy	English	
Caritas Norway auditor's checklist	English	Additional control included in the audit process
Caritas Norway partner assessment tool	English	
Caritas Norway partnership contract	English	
Caritas Norge Personelhåndbok (Personell Handbook)	Norwegian	
Caritas Norge årsrapport (Yearly Report)	Norwegian	
Policy for bærekraftig forretningspraksis – Caritas Norge (part of the Transparency Act report)	Norwegian	

External reference documents

Document name	Language	Comment
Audit instructions from Caritas Norway's auditor to local auditor	English	Is sent out annually

In addition, we are committed to following international conventions, principles and standards such as:

- UN Universal Declaration of Human Rights
- The Geneva Conventions of 1949 and their Additional Protocols
- UN 1951 Refugee Convention
- UN Guiding Principles on Internal Displacement
- International Red Cross Code of Conduct
- Sphere Standards
- Core Humanitarian Standards
- OCHA RW Response