

World Renew Policy on Fraud and Corruption

1. OBJECTIVES OF THE POLICY

The policy aims:

- to increase an understanding of what constitutes fraud and corruption
- to promote and monitor compliance with the expected ethical behavior among staff, partners and contracted volunteers.
- to confirm to staff, partners and contracted volunteers to feel confident to raise and report all serious concerns about fraud and corruption
- to underline the commitment of World Renew of ensuring that concerns raised by partners and/or members of staff at all levels of the organization are considered and investigated fairly, equally and in a responsible manner.

2. THEOLOGICAL FOUNDATION

World Renew writes in its logo “*Living Justice, Loving Mercy*” – Micah 6:8. This is the simplest reason why we implement this policy. It is also important to see the ethical justification for prohibiting corruption. It is truth and justice, in particular the legal protection of the poor – “Ah, you who acquit the guilty for a bribe, and deprive the innocent of their rights.” (Isaiah 5, 23).

There are many verses with very clear analysis of the effects of corruption and very clear values of corruption-free society. These can be summarized as follows:

Corruption	God
- Kills and destroys life	- wants life
- Oppresses the rights of the poor	- wants justice
- Hinders economic performance	- wants honest wealth
- Destroys trust and confidence	- wants community
- Destroys integrity and credibility	- wants dignity
- Strengthens violence and military forces	- wants peace

The above stated Theological Foundation supports the values of the World Renew, namely:

Professional and Ethical Standards

- We believe that our vocation to service calls us to be faithful to our principles and effective in our response. Therefore, we will uphold high ethical and programmatic standards (including the CRCNA Standards of Conduct, Humanitarian Charter, SPHERE Standards, and Humanitarian Accountability Partnership) in all our programs.

Accountability and Transparency

- We believe that all resources are gifts from God and that we are accountable as World Renew to those who we wish to assist and those who require assistance. Therefore, we will be truthful in how we report on the nature and extent of our work and how we will use the funds and other resources provided. We will provide accurate and timely program and financial information as specified in the World Renew guidelines and the requirements of our donors.

It is with this background that World Renew proceeds with this policy that will guide its own staff and partners in development and disaster response.

3. DEFINITIONS

In an effort to define fraud and corruption, World Renew's definitions are as follows:

Corruption is the "offering, giving, soliciting, demanding or acceptance of an inducement or reward which may improperly influence the action of any person or organization."

Fraud is "an intentional distortion, deceit, trickery, perversion of truth or breach of confidence, relating to an organization's financial, material, or human resource assets, services and/or transactions, generally for the purpose of personal gain or organizational gain or benefit [conceal corruption]."

These definitions equally apply to all malpractices and unethical behavior. Though the list is not comprehensive, fraud and corruption may include:

- **Misuse/Misappropriation of Funds:** the use of money received by World Renew or transferred to a partner is always clearly stated by project number and name and/or project number, name and partner, or grant based on an agreed plan. Any use of funds not in accordance with the specifications is considered a misuse/misappropriation whether there is intention or not to misuse the funds. This applies also to any other income generated such as any interest received/earned on the funds if the condition, as an additional specification, has been stated. Where no such specification is stated, the World Renew policy on interest earned applies.
- **Coercion: A coercive practice** is impairing or harming, or threatening to impair or harm directly or indirectly any person or property of the person(s) to influence the actions of that person.
- **Collusion** is an arrangement between two or more persons designed to achieve an improper purpose including influencing improperly the actions of another person.
- **Obstruction** is to deliberately destroy, falsify, alter or conceal evidence material to the investigation or making false statements to investigators in order to materially influence or impede investigations into corrupt, fraudulent, coercive or collusive allegations.
- **Bribery** is the provision or acceptance of money, goods and or services against some form of improper compensation.
- **Sharing of profits or budget leftovers** as kick backs, cuts, discounts for personal or organizational benefits.
- **Abuse or Misuse of power** includes any abusive behavior (physical, psychological, sexual or emotional) by a person in a position of authority and trust against someone in a position of vulnerability and/or dependency for personal gains.
- **Favoritism/nepotism** is unfair treatment of one person at the expense of others.
- **Other aspects of wrongdoing** such as conflict of interest, non-arms length transactions, document or check forgery, money laundering, taking of commissions and influencing tender

process for improper benefit and theft and lack of proper managerial oversight by those with supervisory roles.

4. POLICY STATEMENT

i. Commitment

- The Board of World Renew affirms its commitment to protecting the funds with which it has been entrusted. The minimization of losses to fraud and corruption is essential for ensuring that these resources are used for their intended purpose.
- Donors and the church constituency who make these funds available are entitled to expect World Renew to conduct its affairs with integrity, honesty and openness and demand the highest standards of conduct from those working for (employees and volunteers) and partnering with World Renew.
- World Renew is determined to maintain its good reputation and will therefore not tolerate fraud, corruption or abuse of position for personal or organizational gain. By ZERO-TOLERANCE World Renew does not allow its employees/partners/volunteers to provide for, request or receive anything that can be interpreted as corruption; “zero tolerance” must also be understood as meaning that corruption must be addressed openly.
- World Renew is committed to continuing to create an anti-fraud and anti-corruption culture and maintaining high ethical standards in its administration at all levels.
- World Renew recognizes that it coordinates programs in countries which have much diversity in legal systems and in cultural practices and sensitivities. World Renew requests that this policy is extended to cover all projects and programs funded by World Renew, but accepts that partners adopt their own policies appropriate to their local environment for all other activities.

ii. Scope of the policy

The policy, which applies equally to staff and volunteers, covers all bona fide concerns raised relating to fraud and corruption as defined but not limited under section 3 (Definitions).

iii. Culture and stance against fraud and corruption

- Responsibility for an anti-fraud culture is the joint responsibility of all those involved in giving organizational direction, determining policy and management. The strategy should be directed against fraud and corruption whether it is attempted from outside or from within its own workforce.
- World Renew expects that directors and team leaders and other management will lead by example in ensuring adherence to legal requirements, standing orders, financial regulations, and codes of conduct, procedures and practices.
- As part of culture, World Renew will provide clear routes by which concerns can be raised by directors, employees and contracted volunteers and those outside who are providing, using or paying for the services.

Senior management is expected to deal swiftly and firmly with those who defraud or attempt to defraud World Renew or are corrupt. Penalties may include termination of employment, discontinuation of partnership and/or legal action. World Renew’s board/senior management will deal forcefully with financial malpractice and may demand restitution.

iv. Action to be taken before any fraud and corruption takes place

As a recipient of grants and private funds World Renew has a responsibility to provide proper reporting, even when projects are implemented by partners, for the contributions received. In this capacity, World Renew has an important role in ensuring proper accountability, correct and good utilization of resources and accurate reporting thereof. It is therefore important that World Renew and the partners, each in their own organization, ensure that good systems are put in place such as:

- Identifying fraud and/ or corruption risk areas and putting in place preventive systems and measures.
- Open discussions with staff on fraud and corruption, explaining policies and systems related to fraud and corruption so as to reduce the “taboo” around the subject.
- The introduction of finance agreements with all partners who receive resources/funds.
- The partners must ensure proper functioning of internal controls, and have written internal control procedures, within their own organizations. In a Disaster Response MOU, partners should provide a clear and brief description how funds and other resources will be managed/ monitored.
- World Renew and their partners should review their procurement policies to ensure that a tight system against fraud and corruption is put in place.
- Ensure good systems for warehousing and stock control for materials purchased or donated towards an emergency response or any other organizational assets.

World Renew employees & volunteers should be familiar with: Standards of Conduct, Employee Handbook, Terms of Reference, and Financial and Procurement guidelines.

v. How to raise concerns

Concerns about any violation or suspected violation, financial or of a different nature, can be raised in the following ways:

- For Staff and Volunteers: through supervisory channels or following the World Renew Whistleblower Policy
- For Partners in development contact the Country Consultant
- For Partners in disaster response contact the International Relief Manager (IRM) or in the absence of an IRM the World Renew staff person responsible for the project

If the complainant is not satisfied with the response or follow up refer to the World Renew Whistleblower Policy which is available on the World Renew website.

vi. Action after a suspected fraud or corruption is reported

Immediately after receiving a report of a fraud/ corrupt act, management action must be taken in the following interrelated areas:

- To confirm whether or not the fraud has occurred.
- To establish whether the perpetrator(s) can be identified.
- To assess the quality of evidence that may identify the perpetrator(s).
- To protect the rights of staff who may have been close to, but not involved in, the fraudulent activity.
- To contain the fraud.
- To stop it happening again and to stop any ongoing loss.
- To manage the public relations impact.
- Where deemed necessary, set up an independent investigating body.

vii. Awareness and training

World Renew will have a program of training for employees and volunteers in their offices and the field. Also development partners will be trained to the extent this policy applies to them. Also in Disaster Response settings at the time of project development this policy will to be reviewed and accepted by the implementing partner as it applies to the project. In addition to the training a short training module will be developed for use, as necessary, with Disaster Response partners.

viii. Concluding Statement

The Board of World Renew is fully committed to support its staff as it desires a work environment of zero tolerance towards fraud and corruption.