

Anti-Corruption Policy



HEALTHNET TPO

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1. Purpose

Achieving HealthNet TPO's mission of building trust through health initiatives that lead to social inclusion and improved health and wellbeing requires all of us to perform with the highest personal and professional ethical conduct. This policy serves to clarify the position of HealthNet TPO's commitment to the prevention and detection of corruption.

HealthNet TPO has a zero tolerance policy towards corruption. It addresses how team members can report the specific concerns, the protections against retaliation for reporting, and how HealthNet TPO will address reports.

2. Scope of Policy

This policy applies to: HealthNet TPO in general including its country offices, their subsidiaries and affiliate organizations (collectively "**HealthNet TPO**"); Members of HealthNet TPO; Directors, officers, management, Team Members, seconded employees, interns, and volunteers (collectively "**Team Members**"); and Sub-recipients, partner organizations, contractors, outside experts (including attorneys), consultants, agents, representatives, and any other organization or individual that acts on HealthNet TPO's behalf or at HealthNet TPO direction (collectively "**Partners**").

3. Policy Statements

3.1 HealthNet TPO defines corruption as *the abuse of entrusted power for private or organizational gain*. Common forms of corruption include *bribery, extortion, fraud or embezzlement*, but also any kind of *favoritism and nepotism* are manifestations of corruption (see also examples in Table 1 of this document).

From a donor perspective, corruption *diverts resources away* from social sectors and poor people. Corruption also *limits the development and economic growth* of a country, and *perpetuates the unequal distribution of power, wealth, and resources*. While corruption impacts negatively on most segments of society, people living in poverty lack the economic, social, and political power necessary to challenge corrupt practices and are more vulnerable than most to extortion, bribery, double standards, and intimidation

3.2 HealthNet TPO takes action to fight corruption. Both to guarantee that resources are well used, and to live up to principal reasons stated in the previous section, HealthNet TPO is committed to fight all types of corruption, both within our own organization (including consultants and volunteers) and within counterpart organizations.

3.3 HealthNet TPO lives up to this commitment by:

- Setting out a clear policy against bribery and other types of corruption.
- Holding employees and counterparts accountable for reporting suspected cases of corruption, and providing them with suitable channels of communication and ensuring sensitive information be treated appropriately.
- Rigorously investigating instances of alleged bribery and taking firm and vigorous action against any employee or counterpart involved in proven corruption .

3.4 Maintaining and enforcing additional policies and procedures for countering corruption within identified risk areas.

3.5 HealthNet TPO affirms its commitment to ethical behavior and has a zero tolerance policy towards bribery.

3.6 HealthNet TPO prohibits:

- offering, giving, soliciting or accepting any bribe, whether cash or other inducement, to or from
 - any person or organization, wherever they are situated and whether they are a public official or body or private person or organization,
- by
- any individual employee, agent or other person or body acting on HealthNet TPO 's behalf
- in order to
- gain any contractual or regulatory advantage with the objective of gaining any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.
- 3.7 HealthNet TPO recognizes that practices vary across cultures and that behavior which is seen as inappropriate in one circumstance may be deemed appropriate in another.
- 3.8 This policy is not meant to prohibit the following practices provided they are customary in a particular culture, are proportionate and are properly recorded:
- normal and appropriate hospitality
 - the giving or receipt of a ceremonial gift of nominal value
 - the use of any recognized fast-track process which is available to all on payment of a fee
- 3.9 Decisions as to what is acceptable may not always be easy. If anyone is in doubt as to whether an act or potential act constitutes bribery, the matter should be referred to the appropriate (line)manager as soon possible.
- 3.10 Regarding suppliers: gifts, entertainment, favors or services from them should be avoided (*see HealthNet TPO Procurement Policy and Code of Conduct*).

4 Responsibilities

- 4.1 In addition to a zero tolerance policy towards bribery, HealthNet TPO will neither accept any other type of corruption or fraud like behaviors, such as may arise from conflicting personal interests, or illegal activities such as intentional deception made for personal gain.
- 4.2 This is regulated in policies, contracts or in Dutch- and local laws.
- 4.3 All employees of HealthNet TPO, or people working on behalf of HealthNet TPO, and people working within partner organizations, are responsible for reporting suspicion of fraud or corruption. In addition to the specific responsibilities listed below, all employees should also adhere to HealthNet TPO's *Code of Conduct*, which provides guidance on our core values and commitment to transparency and accountability.
- 4.4 All employees (and volunteers) are responsible for:
- Acting with respect in the use of HealthNet TPO's assets and resources;
 - Alerting their line manager where they believe the opportunity for fraud or corruption exists.
- 4.5 Employees should report to their line manager:
- any suspected or actual fraud or corruption
 - any suspicious acts or events which might give rise to a suspicion of fraud or corruption
 - If for any reason a member of staff does not feel able to report a suspected fraud or corruption to their line manager, he/she should inform a more senior manager or the Director at the head office.

- Staff should refer to the Whistle Blowing Policy for guidance where they do not feel able to report suspected fraud or corruption to line management, or are not satisfied that their concerns have been addressed;
- Assisting in any investigations by making available all relevant information and by cooperating in interviews.

4.6 Managers responsibilities (field and head office level)

The day to day responsibility for the prevention and detection of fraud and corruption rests with the line managers who are responsible for:

- Identifying the risks to which systems, operations and procedures are exposed
- Developing and maintaining effective controls to prevent and detect fraud and corruption
- Ensuring that controls are being complied with
- Report suspected cases to the Director
- Assure that there is a record of fraud and corruption cases which is properly maintained

4.7 Director responsibilities (head quarter level)

- Establishing the internal control system designed to counter the risk of fraud and corruption, and ensuring the adequacy and effectiveness of this system
- Ensuring that arrangements are in place for investigation of all suspected and alleged fraud or corruption
- Assure that there is a record of fraud and corruption cases which is properly maintained
- Where there is a significant risk to HealthNet TPO's reputation promptly reporting all cases of fraud and corruption to the Board, as well as carrying out investigations into suspected or alleged fraud and corruption.

4.8 Counterparts responsibilities

- Counterparts must provide a detailed overview of the income and expenditures related to the project funded by HealthNet TPO and also actively report any suspected fraud or corruption. Counterpart's obligations are detailed further in the sub contracts signed between HealthNet TPO and the counterpart.
- When working with counterparts, the counterpart is required to have an anti-fraud policy in place that is comparable with HealthNet TPO's policy. If not, a copy of the HealthNet TPO anti-corruption policy is annexed and applicable to the sub contract.

5 Reporting

HealthNet TPO's *Whistleblower Policy* is a procedure for reporting an abuse or suspected abuse within the sphere of HealthNet TPO, in which a public interest is at stake. The procedure also applies to reporting any kind of (suspected) corruption as described within this document. Within HealthNet TPO's management great importance is given to transparency and accountability. The internal reporting of abuse is seen as a contribution to improving the functioning of HealthNet TPO and the desired transparency. Employees who in good faith report an abuse will be protected against unfair treatment under the Whistleblower policy.

All stakeholders can approach HealthNet TPO with their grievances, including complaints related to possible cases of fraud or corruption. HealthNet TPO has a grievance policy for Counterparts and consultants, for private donors and the general public.

6 Investigation

- 6.1 HealthNet TPO commits to maintaining procedures for investigating and retaliating suspected cases of corruption or fraud.
- 6.2 HealthNet TPO has a procedure (annex 1) in place for how to handle suspected cases of fraud and corruption and how HealthNet TPO *Fraud Register* should be maintained (a register where every suspected case of fraud is registered).
- 6.3 For HealthNet TPO employees a procedure for investigating suspected cases of misconduct is included in the *HealthNet TPO General Conditions of Employment contracts*.
- 6.4 The sub contract handles the procedures for actions to be taken on receiving information about or when suspecting the possibility of unlawful expenditures by counterparts of HealthNet TPO.
- 6.5 HealthNet TPO takes any indication of attempting to commit an act of fraud or corruption by employees, volunteers, related and external organizations very seriously.
- 6.6 Employees and volunteers involved in fraud and corruption of any kind will be subjected to disciplinary action within the organization such as (but not limited to); suspension, dismissal or be reported to external authorities for criminal prosecution. *HealthNet TPO General Conditions of Employment contracts*
- 6.7 For counterparts possible consequences such as dissolution of the sub contract and legal actions are stated in the sub contract that is signed between HealthNet TPO and the counterpart prior to the start of the work. HealthNet TPO will report cases of fraud to the relevant donors.

7 Additional policy and procedure for countering corruption

- 7.1 In addition to what has been described in the previous sections of this document, HealthNet TPO has also identified additional critical policies and procedures for mitigating corruption.
- 7.2 In table 1, these policies and procedures are grouped by selected *corruption risk areas*, and also typical examples of Corruption are given.

Table 1: Additional supporting policy and procedures by main corruption risk area

| Main corruption risk area | Examples | Supporting policy & procedure |
|--|--|---|
| Conflict of interests: Exists when it is possible that a staff member could be influenced, or perceived to be influenced, by a personal interest when carrying out their duties | Conflicting commercial interest Conflicting political interest | Code for Good Governance of Charities HealthNet TPO's General Conditions of Employment |
| Procurement: a prime area for fraudulent and corrupt practices – due diligence | Favoring suppliers whose costs are not as competitive as other suppliers Fraud such as false payments or ordering of goods for personal use | Procurement Policy |

| | | |
|---|---|--|
| <p>in spending and a well defined and transparent process are key elements in HealthNet TPO's Procurement Policy</p> | | |
| <p>Project selection, monitoring & evaluation: The core process for distribution of funds and must be kept objective and free from any type of corruption</p> | <p>Seeking and obtaining bribes or other gifts in exchange for favorable treatment Any type of favoritism resulting in favorable treatment of counterpart or colleague</p> | <p>HealthNet TPO's General conditions of services</p> |
| <p>Other HealthNet TPO operations Any type of corrupt or fraudulent behavior that could take place in Healthnet TPO's day to day activities</p> | <p><i>Unauthorized or illegal use</i> of assets, information or services for private purposes</p> <p><i>Falsification</i> of records, including timesheets, travel claims, purchase orders, vouchers etc.</p> <p><i>Manipulation of computer programs or formats</i> for improper purposes, such as unauthorized approval to pay and writing off debts</p> <p>Manipulation and misuse of account payments e.g. fictitious employees on the payroll</p> <p><i>Nepotism/favorism</i> e.g. in staff appointments</p> <p><i>Seeking and obtaining bribes</i> or other gifts in exchange for favorable treatment</p> <p>Use of facilitation bribes</p> | <p>HealthNet TPO International Financial Standards</p> |
| <p>Counterpart operations To ensure effective use of donors' funds it is critical to evaluate</p> | <p>The same as listed in the previous sections, but now for the counterpart organizations</p> <p>It should however be noted that</p> | |

| | | |
|---|---|--|
| <p>counterparts and monitor operations from a financial risk perspective (including corruption & fraud)</p> | <p>bribery and nepotism is more common in some of the areas where counterparts operate and HealthNet TPO therefore pay extra attention to counterparts operating in high risk areas</p> | |
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8 Policy Administration

Responsibility for ensuring this policy is monitored, enforced, and remains up-to-date and compliant rests with HealthNet TPO’s Board.

9 Approved Policy

This policy was approved by the HealthNet TPO Board on 10 September 2019. This policy may only be amended or changed with the approval of the Board.

Annex 1 Fraud procedure Time Frames

| | Action | Maximum time frame | Responsible |
|---|---|---|-----------------------------------|
| 1 | Report suspected cases to the line manager & Line manager reports suspected cases to the Director and financial controller in the field or Amsterdam | 2 days | Staff Line manager |
| 2 | Inform suspected person(s) /organization of allegations, invite them to respond (include the process to be followed and time frames in communication) | week after no. 1 | Financial controller |
| 3 | Registration of allegations in the fraud register and start of internal investigation | 1 week after no. 2 | Financial controller |
| 4 | Response from suspected person(s) /organization (over internal investigations) over the case | 1 week after no. 2 | Suspected person(s) /organization |
| 5 | Decision from Director if external investigation is required, if suspected person should be suspended from work/relations with the organization should be on hold, pending the investigation. | 1 week after no. 4 | Managing director |
| 6 | Selecting an external investigator (including making of a TOR) | 2 weeks after decision of making external investigation | Financial controller |
| 7 | External investigation (including delivering a report) | 2 months | External investigator |
| 8 | Decision from Director about disciplinary measures in case of confirmed fraud (after or without external investigation) | 2 weeks after no. 5 or 7 | Director |