

ActionAid Sverige

Policy on Anti-Corruption and Corruption Prevention

Sverige vers. 3

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Aim

The policy articulates Action Aid's zero-tolerance approach towards corruption and other irregularities. It informs all ActionAid Sweden's staff and non-staff personnel regarding their roles and responsibilities in this area. It lays out the complaint channels for cases of corruption. It is also part of the effort to establish an organisational approach and procedures to prevent corruption and other irregularities.

Areas of application

The policy is applicable to all ActionAid Sweden's operations, all staff, board members, interns and volunteers, at ActionAid in Sweden, other Action Aid offices and additional partner organisations in programme countries.

Definition

ActionAid Sweden adheres to ActionAid International's definition of corruption: that corruption "involves the act of dishonestly obtaining an advantage from a third party by abusing an entrusted power for private gain."

Corruption is not to be understood as restricted to monetary or material benefits but could also include intangible benefits such as status or information. Corruption and other irregularities as mentioned in this policy is to be understood to include but are not limited to; Fraud, Theft, Embezzlement, Bribery, Extortion, Collusion to obtain unfair advantage, Money laundering, Terrorist financing, Cybercrime, Misrepresentation of facts, Withholding of information, Foreign Exchange Fraud, Nepotism, Sextortion, Other activities criminalised by state and local law, as well as concealment of, aiding and abetting or attempting any of the conducts above.¹

Position

Corruption is a key obstacle to development, and we should never contribute to its destructive impact. Corruption exists everywhere and it takes various forms. ActionAid Sweden approach towards corruption is to *always prevent, never accept, always inform and always act*. As part of an international development federation that operates in many high-risk areas, it is vital to have a zero-tolerance approach towards all corrupt activities. We must also actively cooperate with our colleagues around the world to assure its adherence throughout the federation. We shall always be aware that incidents can have severe implications on the achievement of our strategic objectives, as well as seriously damage the federation's reputation.

¹ For definitions on these different types of irregularities see ActionAid Sweden's Definitions list of Corrupt Activities

This policy further recognises both our moral duty and legal obligation to act upon cases of corruption, and to safeguard funds entrusted to us. ActionAid Sweden should make it clear through staff policies, contracts, and procedures, that corruption will not be tolerated, and that the organisation's policy is to react to all violations to this policy. All possible violations to the law will also be reported to the police. However, we recognise that all people can make mistakes and that human error is not the same as corruption.

ActionAid Sweden further appreciates that in many cultures, gifts are frequently given as a sign of friendship and appreciation. We do, however, have a restrictive approach towards gifts. A gift can only be accepted if it is of insignificant value and never with the intention, or giving the giver the impression, that the gift will in any way influence decisions or work. Gifts given by external actors to members of ActionAid Sweden's staff or non-staff personnel should never be considered as personal. They should be handled as gifts to the organisation and must be kept/distributed at the office. Any gifts that may be improper must not be received, and any evident attempt to bribe must be turned down actively.

Roles and Responsibilities

All members of staff, board of trustees, interns, volunteers, partners and implementing partners are required to act upon any suspected cases of corruption and to inform ActionAid Sweden in accordance with this policy. ActionAid Sweden is further committed to the policies and guidelines set up by both ActionAid International and relevant donors.

All staff members are required to:

- Familiarise themselves with and understand this policy and take full responsibility for adhering to it.
- Actively prevent corruption through effective risk management at strategic and operational levels.
- Always reacting to and reporting suspected acts of corruption or other irregularities.
- Ensure, when managing international or national development projects, that management of partner organisations in receipt of funding channelled through Action Aid Sweden have read, understood, and will apply ActionAid's policies and regulations regarding corruption and other irregularities.

Management/Senior Management Team is responsible for:

- Promoting a zero-tolerance culture towards any form of Criminal Activity
- Making sure that all staff and non-staff personnel, contractors, implementing partners, and responsible parties contracted/engaged by their respective offices, involved in ActionAid Sweden activities are aware of this policy and their obligation to abide by it.
- Ensuring periodical assessment of the risk of exposure to corruption and actively work with corruption risk management (assessment, mitigation, and follow up), to reduce opportunities for corruption and improve the possibilities for detection.²

² More information on how this can be achieved can be found in ActionAid International's Anti-Fraud and Corruption Policy.

- Ensuring there is an appropriate system of control and reporting available.
- Making sure that staff, managing national and international projects, shall undergo basic training in how to identify and detect corruption and other irregularities.
- That Senior Managers who are dealing with complaints undergoing training on how to handle complaints and conduct investigations.
- Informing staff, non-staff personnel and external actors working with ActionAid Sweden about the ActionAid federations Whistleblowing Policy, and the available channels for anonymous complaints at national- and international level.

Prevention

Prevention and learning are vital components of anti-corruption work, and is a joint responsibility of all staff, interns, volunteers and board members of ActionAid Sweden. Management have the ultimate responsibility for ensuring that active work to prevent corruption and other irregularities is undertaken. ActionAid Sweden's activities to prevent corruption include the continuous improvement of administrative- and control systems, as well as capacity building and awareness-raising of staff, and others related to the organisation. For preventive purposes, ActionAid Sweden will take actions including, but not limited to;

- Strengthening our organisational capacity and promoting a culture of transparency to prevent corruption, as well as to encourage whistleblowing and whistleblowers' safety from discrimination and retaliation.
- Including anti-corruption clauses in all agreements with our partners, consultants, suppliers, etc. with the right to suspend funds and to recover incorrectly used funds.
- Continuously strengthen governance and internal control mechanisms.
- Complying with the four-eyes principle, meaning that at least two individuals are to be involved in authorising and approving payments.
- Conducting risk analysis and assessing corruption risks in all projects, programmes, and activities, and appropriately addressing identified risks
- Establishing clearly defined processes and procedures, roles, and responsibilities in the prevention and management of corruption that are proportionate to the risk identified.

Awareness is essential to combating corruption. Therefore, our aim is to create a proactive approach to identify, prevent and mitigate risks. In addition to knowledge and understanding of ActionAid's own regulations and processes, relevant staff (e.g. Controller, Head of Policy and Programme, and staff managing development projects) shall familiarise themselves with our donor's specific demands and procedures regarding corrupt activities - as these can vary.

Effective monitoring of all our activities is important to detect corruption. We also strive to have an open dialogue regarding these issues with our partners. It is also important to review partners' reports and to follow up that local auditors are independent and changed regularly.

ActionAid Sweden will also summarise our learnings from complaints handling and focus on continuously improving our way of working.

Acting on suspicion

All persons operating within or on behalf of ActionAid Sweden that suspect or detect corruption or other irregularities within the organisation or partners' operations are obliged to report this. It is not required that one or several persons are identified as acting suspiciously, but it is sufficient that there is a suspected course of action to be able to set up an investigation. There are different ways to file a complaint, openly or anonymously:

- Suspicions or detection of corruption should primarily be reported to your line manager or the most senior manager at ActionAid Sweden.
- Complaints against ActionAid Sweden's Country Director should be sent to the Chair of ActionAid Sweden's Board at: ceciliawidewest@gmail.com
- Complaints against ActionAid Sweden's National Board should be sent to the International Director for Federation Development arthur.larok@actionaid.org and International Internal Audit at whistleblowing@actionaid.org.
- Complaints regarding major irregularities or when the informer wishes to remain anonymous, ActionAid Sweden's or ActionAid International's whistle blowing mechanisms can be used.

In cases concerning major irregularities at staff or management level and where an informer wishes to remain anonymous, a complaint should be sent using a temporary email account. The complaint shall be sent using complaint.sweden@actionaid.org, which is monitored by Organisational Coordinator and the Board Chair. For ActionAid Sweden to be able to acknowledge the complaint and communicate with the informer, the temporary address should be kept throughout the investigation period.

The International Whistleblowing mechanism shall mainly be used when other channels have been exhausted, when the irregularity is of a very serious nature or is concerning ActionAid Sweden's National Board. A complaint can then be sent to ActionAid International's confidential email address whistleblowing@actionaid.org, which is monitored by ActionAid Internationals Internal Audit.

For more detailed information about Whistleblowing procedures see ActionAid International's Whistleblowing Policy. Note that anonymous complaints may make the investigation process more difficult if there is a need to obtain further information about the case.

Any false allegations which are proven to have been made maliciously or with an attempt at a personal gain will be viewed as a serious disciplinary offense and may result in disciplinary action.

Conducting Investigations

All complaints about suspected corruption shall, when possible, be acknowledged and must always be investigated. Managers and/or Board members who have received a complaint must assess the situation and inform Head of Finance (or in their absence, the

Country Director or ActionAid Internationals Internal Audit) who will set up an investigation team and ensure that the allegation is promptly and appropriately investigated. Members of staff and board, interns, and volunteers shall not participate in decisions nor prepare decisions in cases where their impartiality can be questioned. All involved in an investigation are required to inform about any potential bias to the investigation team.

Complaints should be handled in accordance with ActionAid Internationals minimum standards set out in ActionAid International's Anti-fraud and Corruption Policy and Whistle Blowing Policy, as well as align with regulations by relevant back donors. ActionAid Sweden's guideline on how to manage corruption investigations can be used for support in the process. The investigation team also determines when and if a police report is to be filed.

All potential material losses exceeding £ 1000 must be reported to ActionAid International Head of Internal Audit, and all cases of corruption are to be reported annually to the ActionAid Internationals Internal Audit.

Security aspects must always be considered when corruption is suspected and investigated, and ActionAid Sweden will act to not endanger the security of any persons in the processes. Risk assessment prior to any investigation is therefore essential. Everyone responsible for and involved in the investigation of a complaint shall understand the requirements of this policy and relevant donor conditions concerning Criminal Activity, and that they shall keep sensitive information strictly on a "need to know" basis.

Suspicion regarding Partner Organisations

When working with partner organisations, additional control systems may have to be developed depending on circumstances and context, to prevent, detect and report corruption and other irregularities. Both parties shall, when appropriate, inform the other of any suspicion of misconduct. Corruption committed by partner organisations need to be dealt with on a case-to-case basis. However, further funding to the partner must be suspended until the matter has been resolved.

When criminal activity is detected

ActionAid Sweden is subject to Swedish legislation and regulations. Any actual or attempted corruption will result in disciplinary actions up to and including dismissal and a report to law enforcement authorities for criminal prosecution. ActionAid Sweden endeavors to recover any funds lost through corruption from those responsible unless the amounts are so small that the cost of recovery is likely to exceed the amounts recovered and will take robust action against involved third parties (including partners, contractors, and agents).

Internal Sanctions

ActionAid Sweden applies sanctions against its staff, non-staff personnel and contracted partners in accordance with Swedish legislation, as follows:

- **Warnings** - For minor misdemeanours, e.g. private use of organisational resources, the sanction may be a clarification of the rules and the issue of a warning.

- **Damage claim** - Employees or trustees may be ordered to pay for damages corresponding to the amount that they have embezzled or damaged.
- **Repayment of funds** - Contracts with partner organisations stipulate that ActionAid Sweden may request repayment of funds if the grant has not been used in accordance with agreement.
- **Breach of contract** - Contracts may be terminated due to contractual breach and, if relevant, a damage claim may be issued.
- **Termination of employment** - If a member of staff or the board of trustees, an intern, or volunteer at ActionAid Sweden has been found guilty of corruption, it will have consequences for their employment/assignment. Decisions about dismissal will be made on a case-to-case basis, depending on the seriousness of the irregularity.

Partner Organisations

Consequences of corruption or other irregularities conducted by implementing partner organisations, within or outside of the ActionAid federation, or service contractors may result in disciplinary and/or administrative actions such as; Non-renewal or termination of their contract and debarment from doing business with ActionAid; recovery of financial loss and/or assets suffered; referral to the national authorities of a member country for criminal investigation and prosecution; other action as deemed necessary. For sanctions regarding other ActionAid member organisations and external contractors see ActionAid International's policy on Anti-Fraud and Corruption.

However, Partner organisations have the main responsibility for taking measures when it comes to their own staff and board members. If needed, ActionAid Sweden can give support in the process, and a joint action plan can be formulated.

Police report and Prosecution

Any case of corruption or other irregularities in projects funded by Swedish grants is to be managed in accordance with Swedish law, and serious cases of intentional financial irregularities must be reported to the police.

If there are suspicions that a crime has been committed in a partner country, the main rule is that this must be reported to the local police for investigation. Since police investigations may take a long time, ActionAid Sweden may also have to take actions pending a court judgment.

Policy Revision

This policy will be reviewed after three years, or when necessary in accordance with changes in the ActionAid Internationals'- or back donor regulations.

Other Recourses

ActionAid Sweden's:

- Complaints Template
- Complaints Log Template
- Corruption Prevention Plan (internal document)
- Internal Guidelines for Corruption Investigations (internal document)

ActionAid International's:

- Anti-Fraud and Corruption Policy
- Whistle Blowing Policy

Applicable Donor policies and documents:

- ForumCiv's Anti-Corruption Policy
- ForumCiv's (CRM) Guideline: Suspected Corruption

Signatory

I have read and understand ActionAid Sweden's Anti-Corruption Policy and hereby submits to the requirement to report any suspicion of corruption or other irregularities:

Signature:

Name in print:

Date:

**APPENDIX
FLOWCHART OF THE COMPLAINT PROCESS**

