

Fraud, Corruption and Bribery Policy

Directive, 2/2020

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1 Purpose

Caritas Czech Republic does not tolerate fraud, corruption, bribery and conflict of interest by any of its employees, contractors, interns, volunteers or other third parties that may be carrying out activities on behalf of CCR. The purpose of this document is to introduce different ways of a misconduct and to define the responsibilities of CCR staff (including the board, management, employees, volunteers and interns) and other relevant third parties (including, among others, contractors) for the prevention, detecting of and reporting of fraud, corruption and bribery. Processes of receiving, dealing with and reporting and archiving an allegation against fraud, corruption, bribery and conflict of interest are stated in the Complaint Handling Mechanism and the Whistleblowing Mechanism.

2 Scope

This policy applies to all CCR Board of Directors, staff, contractors, interns and volunteers and other third parties carrying out activities on behalf of CCR in the Czech Republic and in offices abroad. Misconducts are considered in this policy in line with best practice and legislation in the Czech Republic or respective country.

2.1 Partner organisations

Although partner organisations are not directly within the scope of this policy, CCR requires partner organisations to take reasonable steps to prevent, detect, and deal with suspected fraud, corruption, bribery, money-laundering and financing terrorism. Not doing so may result in termination of an agreement on cooperation with CCR¹. Partner organisations are required to report any suspected incidents related to CCR funds and activities. CCR also requires partner organisations to facilitate any investigation or resolution procedures of any allegations/suspicions of fraud, corruption, bribery, money-laundering and financing terrorism by CCR or other relevant parties (i.e. donors).

¹ Details regarding the Partners obligations towards anti-money laundering and anti-terrorist financing are specified in Contract on Cooperation template.

3 Definitions

3.1 Fraud and Corruption

For the purposes of this policy, fraud and corruption shall include, but are not limited to:

- Theft or misappropriation of CCR assets.
- Submitting false claims for payments or reimbursements.
- Falsification of receipts, invoices or other documents supporting payments.
- Accepting or offering a bribe or accepting gifts or other favours under circumstances that might lead to the inference that the gift or favour was intended to influence an employee's decision-making while serving CCR.
- Accepting a commission from or paying same to a third party.
- Collusion with third parties, including suppliers and partner organisations in order to make personal gains, financial or otherwise from CCR funds.
- Blackmail or extortion.
- 'Off Books' accounting or making false or fictitious entries.
- Knowingly creation and/or distribution of false or misleading financial reports.
- Violation of CCR's procedures (such as Procurement Manual) with the aim of personal gain or to the detriment of CCR.
- Wilful negligence intended to cause damage to the material interest of CCR.
- A dishonourable, irresponsible or deliberate act against the interests of CCR
- Giving or obtaining advantage through means which are illegal, immoral and / or consistent with one's duties, obligations or the rights of others.

3.1.1 Money laundering and terrorism financing²

CCR commits to zero tolerance policy towards money laundering and terrorism financing, in particular:

² This policy is in compliance with the Ministry of the Interior of the Czech Republic guidelines [Riziko zneužití nestátních neziskových organizací pro účely financování terorismu či praní peněz.](#)

- acquisition, possession, transfer or use of property or financial resources, knowing that such is derived from criminal activity
- an act by which illicit funds are made to appear legitimate
- financing of terrorist acts, of terrorists and terrorist organisations³ from legitimate or illegitimate source

3.2 Bribery

The following are relevant definitions in relation to bribery:

- Bribing another person is the offering, promising or giving of a reward to induce a person to perform a relevant function or acting improperly.
- Being bribed is the accepting of, agreeing to accept or requesting of a reward in return for performing a 'relevant function' or acting improperly.
- Bribing a foreign public official is a specific offence of trying to influence a foreign public official with the intention of obtaining or retaining business in a situation where the public official was not permitted or required by law to be influenced.
- Facilitation payments are payments to induce officials to perform routine functions they are otherwise obligated to perform and they are considered bribes.
- Failure to prevent bribery occurs where an organisation fails to stop people who are operating on its behalf being involved in bribery. This includes activities of people working on behalf of the organisation, e.g. an employee, consultant or other third party if those individuals are involved in accepting or receiving a bribe which resulted in the organisation gaining or retaining business.

3.3 Conflict of interest

CCR employees or contractors with designated procurement authority or in management position must avoid conflicts of interest, in particular:

³ Further definition of terrorist acts, of terrorists and of terrorist organisations can be found in the UN [International Convention for the Suppression of the Financing of Terrorism](#).

- Employee, contractor, volunteer or interns conduct may not foster any suspicion of conflict between professional duty and personal, financial, political or family interest.
- Nobody will solicit or accept, directly or indirectly, anything of monetary value from vendors or potential vendors. Nobody will accept any gift, except small representative gifts received on behalf of CCR and worth up to 2 000 CZK (~ 70 EUR). Those gifts should be reported to line manager.
- Tenders may not be solicited from, and contracts may not be awarded to, any company that is owned, controlled or actively influenced by any CCR staff member or by a relative of a CCR staff member.

This list is not exhaustive.

If, under any circumstances, staff members or other above mentioned third parties find themselves in a situation in which a conflict of interest is possible but unclear, they must consult their senior managers (either the Head of Department or, overseas, the Head of Mission) to adopt the most appropriate measures for assuring the protection of CCR's reputation and assets.

4 Responsibility for the Detection, Preventing and Reporting

All staff and other mentioned third parties at all levels are responsible for exercising due diligence and control to prevent, detect and report acts of fraud, corruption and bribery. This responsibility includes being alert for any indication of a breach of this Policy. Employees must be alert to the possibilities of fraud, corruption and / or bribery and be on guard for any indications that improper or dishonest activity is taking place.

It is the responsibility of all board members, managers, Head of Missions and Finance coordinators to be familiar with the types of improprieties that might occur in their areas of work / office location. This responsibility includes potential internal investigation of breach of this policy.

Those who fail to carry out these responsibilities will be subject to corrective action up to and including termination of employment/contract under CCR's Disciplinary Procedure.

5 Reference Documentation

Code of Ethics

Code of Conduct

Complaint Handling Mechanism

Whistleblowing Mechanism

Conditions of Employment/Staff regulation

Procurement Manual

Security Manual

6 List of abbreviations

CCR	Caritas Czech Republic
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7 List of appendices

- Disclosure of interest affidavit template