



Policy Anti-Corruption 2013

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A. Executive Summary

Corruption is defined as "the abuse of entrusted power for private gain¹". It is best known as bribery, fraud and theft, conflict of interest, embezzlement and extortion/blackmail, gifts, nepotism and favouritism. It is important to realise that corruption has many faces and does not exclusively take the form of money. To provide a person with a job, services or other favours can also be a form of corruption. It threatens effective programmatic work in the South and the North, good-governance, sustainable development, democratic processes and fair businesses.

LIGHT FOR THE WORLD reaffirms with this Policy, that no kind of corruption, whatsoever, will be concealed, accepted, negated or understated under any circumstances. This Policy provides guidance for being a transparent organisation as well as setting the appropriate course of action when dealing with the different faces of corruption.

The Policy covers both corruption within the own structures and relations as well as within project partners supported. Key elements include:

- Principles and Measures to prevent corruption
- Procedures in cases of suspected corruption
- Internal Documentation and External Information

It is paramount that LIGHT FOR THE WORLD does everything to **prevent corruption** at the outset. However, in the event of suspected corruption or corrupt behaviour, LIGHT FOR THE WORLD ensures that prompt, clear and transparent measures are in place in order to investigate the situation thoroughly.

Key approaches are to sensitize and train all staff, freelancers and volunteers of LIGHT FOR THE WORLD on the issue(s), to create an open atmosphere to raise complaints, and to support internal learning and further enhancement of internal control systems (ICS). Equally, LIGHT FOR THE WORLD is committed to be transparent on suspected corruption and will publish an annual external report with an overview on complaints, corruption cases and the way, they were dealt with. LIGHT FOR THE WORLD hopes, that this will also contribute to cross-organisational learning and to overcome tabooing corruption.

¹ Transparency International, http://www.transparency.org/news_room/faq/corruption_faq

B. Scope and Validity of the Policy

The Policy enters into force on 1 January, 2014 and will be reviewed by the end of 2017.

The Policy is built on the three core values **integrity** (ensuring the highest standards of ethics, and honesty), **responsibility** (resulting in high level of performance, professionalism and accountability) and **transparency** (acting with openness, equity and objectivity). It should be the personal concern of every staff member and all those doing business on behalf of LIGHT FOR THE WORLD to observe, protect and respect these core values.

While as a learning organisation a culture is promoted, that allows for faults and respective transparent processes to deal with them, it has to be stressed that no kind of corruption, whatsoever, will be concealed, accepted, negated or understated under any circumstances

This Anti-Corruption Policy is binding for:

- all employees of the confederation including the employees in the local offices
- all consultants or other freelance or voluntary staff of the confederation
- all board members and members of LIGHT FOR THE WORLD

Each of them is requested to be vigilant for any signs of misconduct within the structures of and around LIGHT FOR THE WORLD.

In project partnerships a clause on anti-corruption is an intrinsic part of the partnership agreements and Memorandum of Understanding's.

Part I: Anti-Corruption within the Confederation

1. Principles

1.1 Accountability

LIGHT FOR THE WORLD has a high responsibility towards beneficiaries, partners and donors. Governance, decision-making, and resource management are highly transparent. Respective Information is publicly available on the homepages of the Confederation and of all its members.

On an annual basis narrative reports provide a clear picture on the impact of the work, the main areas of involvement, as well as on income and expenditure in the reporting period. These narrative reports are published by each Confederation member for their constituency. On Confederation level an international narrative report is published.

In focus countries it is envisaged to produce annual reports, providing an overview on impact, action taken and resources invested.

All Confederation members publish on annual basis a financial report, which includes a profit and loss statement, the balance sheet, and other key financial indicators, besides information on output and impact of the work.

All these reports are published on the respective webpages in an easy to find place.

1.2 Reliability

All employees and freelancers/voluntary staff working for LIGHT FOR THE WORLD are required to be ethical, efficient, effective and professional both in the work and in their relation with other workers. They are faithful towards LIGHT FOR THE WORLD as an employer and towards the organisation's values, interests and mission. This includes giving constructive criticism to the employer.

Furthermore all employees can trust that LIGHT FOR THE WORLD will handle any suspicions towards an employee with due diligence and integrity and will not linger on false or empty accusations.

1.3 Honesty

We do our best to ensure that all stories used for fundraising and public relation are respectful and true. The principle of LIGHT FOR THE WORLD towards our beneficiaries is to uphold and respect the dignity of the person. LIGHT FOR THE WORLD is committed to not endanger beneficiaries or partners.

2. Measures to prevent corruption

2.1 Internal Control System

All LIGHT FOR THE WORLD Confederation members have established an effective and efficient Internal Control System (ICS). Within the ICS risk areas for corruption are addressed adequately within national laws, regulations and guidelines:

- Governance structure: avoiding conflicts of interest, separation of control and management function, voluntarism at Boards
- Human Resource Management: transparent recruitment processes, regular assessments and appraisals
- Procurement: transparent procurement processes, demand for more offers and involvement of additional personnel above a certain investment, avoiding conflict of interest
- Financial Management: four eyes principle, rotation of responsibilities e.g. for the cash register, internal control mechanisms for financial transactions, advance payments

The standards of the ICS are part of the external auditing process of LIGHT FOR THE WORLD. The ICS is enhanced annually based on the results of the external examination, the learning from corruption cases and good practice in other organisations.

2.2 External Audits

The financial performance, financial systems and financial management of all LIGHT FOR THE WORLD Confederation members are audited by certified external auditors according to national and international standards on annual basis. The auditors (the organisation or the people within the organisation doing the audit) have to be changed every five years.

Additionally external national or international public seals of quality and/or tax-deductibility are compulsory.

2.3 Peer Reviews / Internal Audits

Peer reviews and Internal Audits are conducted among the Confederation members and operational units. Written reports on findings and recommendations are used internally for follow up.

2.4 Staff Sensitisation

In order to ensure a proper implementation of this Policy and that all employees and freelancers/voluntary staff members are aware of its content, regular trainings are offered. At the beginning of an employment at LIGHT FOR THE WORLD, a session on corruption and transparency will be part of the general training. Every two to four years, trainings (either online or in physical meetings; with expert input) on new developments and the way LIGHT FOR THE WORLD handles corruption is offered to all staff members.

3. Standard procedure in the event of suspected corruption

LIGHT FOR THE WORLD has a clear whistle-blowing policy when concerns of misconduct are raised within the organisation. Information is handled confidentially and with the greatest respect by the person investigating. All personal data is protected.

General whistle blowing policy within the organisation:

- Complaints can be raised on all levels within the LIGHT FOR THE WORLD confederation.
- All complaints about misconduct within the organisation are investigated thoroughly, sensitively and fairly.
- Employees or other LIGHT FOR THE WORLD stakeholders, who raise a suspicion in good faith, irrespective of whether the allegation is later confirmed to be true or not, will be protected.
- If confidentiality is requested, strong efforts will be made to protect the identity of the person who voices his/her complaint. In a case where discovering the truth would be hindered by complete confidentiality, LIGHT FOR THE WORLD will not be able to guarantee this to the reporting person. The reporting person has the possibility to retract the suspicion at any time.

3.1 Making a Complaint

In principle all kinds of concerns should be raised as soon as possible. In principle the complaint should be as clear as possible containing:

- a clear description of the situation
- the name of the person and/or department concerned
- the date on which the conduct/decision in question took place

There are several ways to raise a complaint (even anonymously, if necessary):

- 1) Send a complaint to: complaints@light-for-the-world.org
This e-Mail box will be accessible to the "complaints team", which consist of a person within the Unit for Programme Support and International Advocacy as well as one nominated person from each Confederation member.
- 2) Post a complaint to:
LIGHT FOR THE WORLD - Unit for Programme Support and international Advocacy
Complaints Team
Niederhofstrasse 26
1120 Vienna, Austria, Europe
Post will be delivered to the UPSA person in charge without prior opening.
- 3) Go to your immediate line manager or, if there is a good reason not to, address the next hierarchical manager.

3.2 Processing a Complaint

1. *Information flow:* The concern letter/eMail will be forwarded directly to the immediate superior (if not directly informed) of the person/persons suspected. If the suspected person is the director of a confederation member, it will be dealt with by the respective board. The immediate superior dealing with the complaint will confirm receipt to the complaints team.
2. *Inform senior management:* If the case of corruption could be of interest to the national/international press, the senior management is immediately informed of the investigation.
3. *Background check on incoming suspicion:* The investigation will be conducted by the superior and the next line manager is kept up to date. The suspected person has the chance to describe his/her view of the complaint. If there is a good reason for not involving the suspected person, or if the reporting person is not satisfied with the way in which the reported complaint was addressed, this should be conveyed to the next level of management.
4. *Advice on how to settle the concern:* After investigation the superior advises the next level of management on how to settle the complaint by sending them a report containing his/her findings, recommendations and the views of the suspected person, the complainant and relevant staff member. The report may also include general recommendations to enhance the ICS and/or current practices.
5. *Decision:* The senior management then decides what should be done about the particular case and informs the persons involved in writing of the results of the inquiry, the decision taken and any conclusions attached to the decision.
6. *Chance to appeal:* After communicating the decision to the person in suspect, he/she has the chance to appeal and send his/her view to the respective chair of the board.
7. *Sanctions:* The agreed sanctions are executed.
8. *Internal Information:* The complaints team receives a copy of the report (4.), as well as information on decisions taken and possible sanctions

3.3 Legal-Action-Cases

LIGHT FOR THE WORLD complies with rules and regulations of the national law and cooperates with the respective legal authorities. In case of violations/infringements of applicable laws legal measures will be taken, except:

- the life & health or security of persons is endangered
- there is evidence that the authorities are corrupt
- human rights are likely to be violated
- disproportionate financial and reputation risks for LIGHT FOR THE WORLD

These forms of corruption are listed in Annex IV (Checklist).

The employee will further be released from work and is requested to repair the damage caused by the corrupt behaviour (return or repay amounts, etc.). A sample of these forms of corruption is listed in Annex IV (Checklist).

In all suspected Legal Action Cases the senior management and the director(s) has/have to be informed before the investigation starts.

Part II: Anti-Corruption in Programme Work

Corruption in project work leads to ineffectiveness and wrong distribution of resources. In developing countries as well as everywhere else the most marginalised people (e.g. persons with disabilities) suffer the most from corruption.

Typically, corruption is revealed either through control mechanisms and evaluations or through a hint from a staff member, a partner or an external stakeholder in relation with the partner organisation.

4. Measures to prevent corruption

LIGHT FOR THE WORLD has established a range of procedures, control mechanism and a comprehensive monitoring system building a solid base in order to try to prevent corruption at the outset. This includes the regular monitoring of the expenditures and balances and the activities implemented. LIGHT FOR THE WORLD is constantly working to improve these measures.

4.1 Measures within LIGHT FOR THE WORLD

4.1.1 Financial Transactions

LIGHT FOR THE WORLD has put in place clear structures for the financial transactions with the partners/programmes.

These measures include:

- transactions made only according to an agreed financial annual plan for the project/programme (part of the project agreement),
- payments in instalments
- bank statements from the transferred funds
- a system that demands financial reports prior to the transfer of further instalments

4.1.2 Rotation System

LIGHT FOR THE WORLD rotates the project/programme officers. Latest every eight years a project/programme officer employed by LIGHT FOR THE WORLD has to change the country (or projects) he/she is working with. Amongst other reasons this is seen as a measure against corruption, which is more likely to happen when project partners are dealing over years always with the same person.

4.2 Measures within our collaboration with partners and projects

4.2.1 Different Levels of Partnership when working with LIGHT FOR THE WORLD

- Strategic Partners: Strategic Partners are key partners on regional or national level for the development and implementation of the country programme.
- Project Partners: The partnerships with Project Partners are based on the agreement to implement (a) specific project(s).
- Support Partners: LIGHT FOR THE WORLD provide limited financial support, based on a concrete project proposal.

The following tools (4.2.2-4.2.8) are compulsory for strategic and project partners. Support partners are mentioned separately.

4.2.2 Internal Partner Assessment

All new partner organisations have to be assessed with the respective assessment tool (compulsory Partner Assessment and Capacity Building Tool) when starting a partnership (exception: support partnerships/one time partnership below 10.000€). During a partnership all partners are assessed annually using the internal Partner Assessment Tool (if possible on project visits). In order to prevent or to detect corruption these tools comprise questions on Transparency, Anti-Corruption and Conflict of Interests and on the Internal Control Systems. LIGHT FOR THE WORLD strives to establish a trustful relationship with long-term partners through regular monitoring visits and timely reporting.

4.2.3 Internal Project Assessment

LIGHT FOR THE WORLD projects are usually implemented by local partner organisations. After handing in new proposals the project cycle system starts. One of the tools within this cycle is the compulsory "Project Assessment and Capacity Building Tool". The respective project officer from LIGHT FOR THE WORLD assesses the project using this tool. In order to prevent corruption as much as possible in project work this tool includes questions on planned investments, on the cost-benefit ratio and on Planning, Monitoring and Evaluation Systems. The final decision of funding is made by the responsible manager, after recommendation of an internal committee. Funding agreements are usually made for 1 to 3 years (depending on the confederation member).

4.2.4 Partnership Agreements, Contracts with Partners

When implementing a project, all partners have to sign a partnership agreement, which forms the legal basis of the partnership. These agreements include a clause on anti-corruption (see Annex II).

4.2.5 Internal Financial Reporting

All project partners of LIGHT FOR THE WORLD have to submit financial reports twice a year (as stated in the partnership agreement).

The project partner always reports the actual spent budget. If there is a balance between the transferred and spent money at the end of the financial year, the remaining amount needs to be transferred to the next financial year. In case there is a balance between the transferred and spent money at the end of a partnership the balance has to be reimbursed to LIGHT FOR THE WORLD. Every single project has to

be internally evaluated at the latest six months after closing date and an external audit is requested at the latest one year later.

Every effort should be made to open special accounts for projects exceeding 100.000 EURO / year. Where this is not possible a separate account line shall be maintained within a given project account.

4.2.6 External financial reports

Before starting a partnership LIGHT FOR THE WORLD asks for financial audits (or reliable financial reports) from the organisation. If feasible these cover the last three financial years of the partner organisation.

At the end of every financial year the project partner has to submit an external audit report conducted by a registered auditor according to international standards. For partners receiving less than 25.000,00 EUR annual contribution from LIGHT FOR THE WORLD, an external audit is not obligatory.

LIGHT FOR THE WORLD prefers overall financial audits of the organisation, showing the contribution and use of support from LIGHT FOR THE WORLD. In case this is not possible (from the partner or a back-donors side), project audits are requested (showing wherever possible also other contributions to the project).

LIGHT FOR THE WORLD is committed to strengthening partners' systems, and hence does directly impose/contract specific auditors on project partners in exceptional cases only (e.g. co-funding requirements). Anyhow, an auditor chosen by a project partner requires approval from LIGHT FOR THE WORLD. LIGHT FOR THE WORLD may propose specific terms of reference for the auditing process. All auditors (the organisation and the people within the organisation doing the audit) have to be changed every five years, unless decided differently by LIGHT FOR THE WORLD.

4.2.7 Regular narrative Reporting

During a project period the partner has to provide bi-annual narrative reports about the implementation of the project (as stated in the partnership agreement).

4.2.8 Networking

Before entering an agreement with a new partner, LIGHT FOR THE WORLD will try to get information from other existing and former donor organisations as well as from networks of the same partner.

- How long do/did they have experience working with the partner?
- How is/was their overall experience with this partner in terms of administration, reporting, effectiveness?
- Have they experienced any types of misuse of funding within this partner?
- Would they advise us to work with this partner and why (or why not)?

4.2.9 Rules and Regulations for Support Partnership and Emergency Support

For both types of support the exclusion and minimum criteria for partnerships mentioned in the "Partner Assessment and Capacity Building Tool" have to be respected. Decisions on external financial audits have to be made upon the situation. Internal financial audits twice a year are compulsory.

4.2.10 Monitoring Visits

In order to discuss and verify the reports, it is strongly recommended to visit all partner organisations on an annual basis in addition to regular contacts with the country-office

staff. These visits are usually undertaken by the project officer in charge. It is strongly recommended that these missions are joint missions along with a second person from LIGHT FOR THE WORLD. As well as the beneficial exchange of knowledge, travelling together is seen as a preventive strategy that helps avoid corruption.

During these visits general developments, specific administrative and programme assessments as well as sample checks on the partners' ICS are done (e.g. vehicle logbooks, accounting record, cash advances, etc.)

5. Standard procedures in the event of suspected corruption

In case of corruption within LIGHT FOR THE WORLD's project/programme work, LIGHT FOR THE WORLD has a clear strategy on how to deal with the allegations and incidences. On the project level the legal base is the "Partnership Agreement" including the Anti-Corruption Clause.

The different types of corruption in practical NGO work, their implications/consequences for LIGHT FOR THE WORLD and respective guidelines are listed in Annex I.

5.1. Processing suspicions

Concerns about a project partner of LIGHT FOR THE WORLD or about the actions of a specific staff member can be raised at any time (see Part I - chapter 3.1).

There are two different possibilities on who investigates the case:

- If the partner organisation itself is involved (e.g. the director/management, the board), LIGHT FOR THE WORLD investigates the case.
- If an employee of the partner organisation is involved, the head of the partner organisation and the immediate employee within LIGHT FOR THE WORLD in the country office as well as in the head office working with the partner are informed. LIGHT FOR THE WORLD offers support and does not investigate the case itself.

Standard procedure when LIGHT FOR THE WORLD investigates the case:

1. *Information flow:* The project/programme officers within LIGHT FOR THE WORLD in the national office as well as in the country office are immediately informed. The Investigation will be conducted by the project officers and if necessary by another person from the management with greatest possible confidence. The next management level within LIGHT FOR THE WORLD and the complaints team is informed on the investigation.
2. *Information of senior management:* If the case of corruption could be of interest to the international press, the senior management is immediately informed of the investigation. If projects of the partner are funded by other Confederation members, they have to be informed immediately as well.
3. *Background check in incoming suspicion:* First of all proof is to be provided. What is the source of information? Is it from own observations, through media or through rumours? Rumours, information from third parties and denunciations must be properly checked in a serious but discrete way.
4. *Scope of corruption:* After a critical examination the estimated scope of the suspicion will be assessed. How serious is the suspicion and how serious is the impact on LIGHT FOR THE WORLD? In a lot of cases an external audit is conducted.
5. *Advices on how to settle the concern:* The investigation results are put together in a report with the major findings and clear recommendations on actions to be taken. The report is handed over to the next management level and the head of programmes for decision.
6. *Decision:* LIGHT FOR THE WORLD decides what should be done about the complaint and informs the partner in writing of the results of the inquiry, the decision taken and any conclusion attached to the decision.
7. *Sanctions:* The agreed sanctions are executed.
8. *Internal Information:* The complaints team receives a copy of the report as well as information on decisions taken and possible sanctions.

In all suspected Legal-Action-Cases the senior management and the director(s) has/have to be informed before the investigation starts.

All cases have to be investigated by at least two persons from LIGHT FOR THE WORLD (ideal from different management levels). Overall, caution will be exercised. Dismissal and reporting to Police will be last action taken and only after careful considerations.

5.2 Legal-Action in case of verified corruption

LIGHT FOR THE WORLD complies with rules and regulations of the national law and cooperates with the respective legal authorities. In case of violations/infringements of applicable laws legal measures will be taken, except:

- the life & health or security of persons is endangered
- there is evidence that the authorities are corrupt
- human rights are likely to be violated
- disproportionate financial and reputation risks for LIGHT FOR THE WORLD

These forms of corruption are listed in Annex IV (Checklist).

The partner is further requested to repair the damage caused by the corrupt behaviour (return or repay amounts, etc.) and to stop, reveal and improve the conditions that led to corruption. Decisions are made as to the status of the partnership and the possibility of continuation of the programme /project in view of the events.

5.3 Donor information

When there is a well-founded suspicion of severe corruption in a project, funded by external (co-) donors (EU, ministries, foundations, major donors, etc.) and in case the investigation confirms the suspicion, the relevant (co-)donor will receive a complete account of the event, its gravity and the steps taken to correct it and to avoid similar cases in the future – in addition we inform relevant sister organisations.

PART III: Internal Documentation and External Information

6. Internal Documentation

All verified cases are published in an internal document for all the confederation members, including recommendations and lessons learnt. This mechanism supports LIGHT FOR THE WORLD in order to prevent similar cases in the future and supports transparency within the organisation. The personal details are dealt within the strict confidence in line with this Policy.

7. External Information

On Annual basis an external report on Anti-Corruption and Transparency is produced, to give an organisational overview of (suspected) corruption cases: the number of complaints, their nature, the way in which they were settled; all information is anonymised.

The existence of the report is mentioned on the international homepage and can be ordered on request.

ANNEX I - The different faces of corruption

Annex I shows the different types of corruption in practical NGO work, their implications/consequences for LIGHT FOR THE WORLD and respective guidelines. Some of the cases have to be treated according our Legal-Action-Policy. These cases are listed in Annex IV.

Supportive Questions for all faces of corruption

The Guidelines and Principles indicated in Annex 1 give support to all employees and stakeholders of LIGHT FOR THE WORLD as well as for their project partners. However there are people behind every organisation and every partnership. These people have to make their own decisions on a daily basis. In order to protect their own integrity and to prevent the following questions can be helpful in the decision -making process²:

- Are my actions in accordance with the law?
- How would my colleagues judge my actions?
- How would the public judge my actions?
- How would the press / media report on my actions?
- How would sponsors and donors judge my actions?
- Would it damage my employer's reputation and the work of LIGHT FOR THE WORLD if my actions were to be publicly revealed?

Forms of Corruption

1	Corruption and Bribery
2	Fraud and Theft
3	Conflict of Interest
4	Abuse of Power and Extortion/Blackmail
5	Nepotism and Favouritism
6	Gifts

² KNH Anti-Corruption Code of Conduct

1 Corruption and Bribery

Corruption is defined by Transparency International as the abuse of entrusted power for private gain³.

Bribery is defined as the act of offering someone money, services or other valuables, in order to persuade him or her to do something in return⁴.

Possible forms of Corruption and Bribery:

Monetary:

- Faked invoices or accounts (misuse of project funds)
- A wedding was accounted as a conference
- Private dinners in restaurants
- Kickbacks
- Speed-up bribery for civil servants

Not monetary:

- Not agreed upon private use of a company/project car, equipment, etc.
- Receiving full-time payment for part-time work
- Private use of the project related infrastructure for something else

Implications / Consequences for LIGHT FOR THE WORLD:

Low level corruption and bribery is an epidemic in some countries, in which LIGHT FOR THE WORLD operates. Bribery and corruption conflict with the values of LIGHT FOR THE WORLD. Regular project visits and a solid relation to the partners minimise these risks.

Guidelines and Principles:

- LIGHT FOR THE WORLD does not accept bribery or corruption in any form. Only exception: The life or health of employees of LIGHT FOR THE WORLD is endangered.(e.g. bypass a roadblock, to bail themselves out of unwarranted custody, etc) . In this case documentation and information to the management is necessary.
- Abusing the position within a project of LIGHT FOR THE WORLD for personal gain is prohibited.
- The employees and project partners of LIGHT FOR THE WORLD do not receive bribes from potential partners in order to make contracts.
- The employees of LIGHT FOR THE WORLD do not receive bribes from current partners in order to speed-up a payment or in order to release a payment without the necessary documents.
- LIGHT FOR THE WORLD bases the cooperation with partner organisations on mutual ownership, accountability, participation, equality and harmonisation.
- LIGHT FOR THE WORLD does not bribe in order to influence his partners or obtain favours.
- Making contributions to political parties is prohibited in any form.
- Partners, which are known to receive bribes or pay bribes, will not be granted from LIGHT FOR THE WORLD.

³ Transparency International, http://www.transparency.org/news_room/faq/corruption_faq

⁴ Anti-Corruption Policy, Dan Church Aid

2 Fraud / Embezzlement and Theft

In the broadest sense, a fraud is an intentional deception made for personal gain or to damage another individual. There are a lot of different forms of fraud (e.g. trickery or false pretences, deceit, etc.). The specific legal definition varies by legal jurisdiction. Fraud is a crime, and also a civil law violation⁵.

Embezzlement is defined as the misappropriation of property or funds.

Theft is the generic term for all crimes in which a person intentionally and fraudulently takes personal property of another without permission or consent and with the intent to convert it to the taker's use (including potential sale)⁶.

Possible forms of Fraud / Embezzlement and Theft:

- False documentation in order to receive project money
- Lying about qualifications
- Abusing power/knowledge to steal cash and equipment from office
- Misusing funds
- Purchasing of private goods with project funds
- Selling spare parts of e.g. a car and pretending that it was broken
- Receiving money from sold goods are not reported and/or banked

Implications / Consequences for LIGHT FOR THE WORLD:

Serious fraud or theft can literally ruin a charitable organisation. The effect of bad publicity as a consequence of fraud could be enormous. LIGHT FOR THE WORLD is also vulnerable to fraud or theft arising from partner organisations, which are acting on behalf of LIGHT FOR THE WORLD.

Guidelines and Principles:

- LIGHT FOR THE WORLD does not accept any form of fraud or embezzlement.
- All forms of fraud / embezzlement and theft will be reported to the respective authority.
- Fraud / Embezzlement and theft are illegal and must not be used as method to gain personal or professional advantages.
- No instalment is released without an appropriate financial report (in urgent cases like earthquakes, floods, etc. exceptions can be made)
- Rules for accounting and documentation shall be applied at all times.
- All employees and trustees of LIGHT FOR THE WORLD are encouraged to be vigilant for signs of fraud or theft within their work.
- All employees and project partners are encouraged to report any concerns they have without fear of disadvantages or victimisation.
- Reported suspicion of fraud or theft will be confidentially investigated.
- Any contract with any third party that is found to have been directly involved in fraudulent activities will be terminated.

⁵ Wikipedia: Fraud

⁶ <http://legal-dictionary.thefreedictionary.com/theft>

3 Conflict of Interest

Conflict of interest is a private interest which could influence the professional performance⁷.

Possible forms of Conflicts of Interests:

- Project employee is involved in another independent business venture or performs work for another organisation, which devotes time and effort to the business of his project work within LIGHT FOR THE WORLD
- Diversion of a business opportunity to another organisation

Implications/Consequences for LIGHT FOR THE WORLD:

Avoiding conflicts of interests is an important principal on preventing corruption. It arises from situations in which the employees or the project partner of LIGHT FOR THE WORLD have a private interest that could influence the professional work. Conflicts of interests are not necessarily corrupt, but the corruption can lie in the manner in which they are identified and managed. The staff members and project partners are expected to show good judgement in order to make the right decision and when in doubt it is important to contact the immediate line manager. Most forms of corruption are the result of conflicts of interests.

Guidelines and Principles:

- The employees and project partners of LIGHT FOR THE WORLD will avoid conflict of interests between their personal interests and the interests of the organisation.
- If the employee is not sure about his/her personal judgement on single decisions he/she is required to ask the superior or a colleague how he/she would decide.
- Employees are prohibited from entering or sustaining any other working relationship – including part-time work or marginal employment - without prior information.
- No employee or project partner may engage in an independent business venture, produce work or perform services for another organisation to the extent that the activity prevents the employee from devoting, the time and efforts to the business of LIGHT FOR THE WORLD as required by his or her position
- Should a conflict of interest arise, the management will be informed immediately, in order that decision making authority can be transferred to another person within the management.

4 Abuse of Power and Extortion/Blackmail

Influence of persons or institutions for private purpose by using the official position or offering them personal advantages⁸.

Blackmailing is the extortion of money or something else of value from a person by the threat of exposing a criminal act or discreditable information.

⁷ Anti Corruption Policy Paper Dan Church Aid

⁸ Anti Corruption Policy DanChurch Aid

Possible forms of abusing of power and extortion:

- Threaten an employee to release him/her if he or she does not get into sexual relations with the superior.
- Abuse of power in order to gain personal favours like private support in the employee's off time.

Implications/Consequences for LIGHT FOR THE WORLD:

Abuse of power and extortion given through the professional status for private gain is not accepted by LIGHT FOR THE WORLD.

Guidelines and Principles:

- The employees and project partners of LIGHT FOR THE WORLD will not use their official position in order to gain private advantages.
- Any form of extortion is prohibited in the project work of LIGHT FOR THE WORLD
- The employees and project partners of LIGHT FOR THE WORLD shall not use their power in order to get personal favours or services done by employees.
- Abuse of power in order to gain sexual favours is strictly prohibited.

5 **Nepotism and Favouritism**

Preferential treatment of family, friends or other personal relations in recruitment, procurement, aid delivery or other situations

Possible forms of nepotism and favouritism:

- Offering employment to a relative or friend despite the fact that there are others who are better qualified.
- Despite the procurement and economic rules inferior/more expensive bids are accepted because of private contacts.
- Family members, friends or other personal relations are preferred in services delivered by the project.

Implications/Consequences for LIGHT FOR THE WORLD:

Nepotism is in some cultures seen as normal practice. It has developed over years and is a part of their daily life. In some cultures people are expelled from their families if they break these rules. Therefore the approach how to fight nepotism has to be done in a very sensitive way. Nevertheless it cannot be seen as a common practise in the project work of LIGHT FOR THE WORLD.

Guidelines and Principles:

- Friends, families and other personal relations will not be favoured in recruiting, procurement, aid delivery or other situations.
- In recruitment at country offices the decision has to be taken by the country office representative and a second person
- In some cases, if conflicts of interests are handled, it can be accepted to hire/work with family or close friends but this has to be approved by the senior management (or by the Board in case it concerns the senior management).

- In general personal relationships between an employee and his/her superior have to be disclosed, the management shall transfer decision making authority to another person within the organisation.
- To avoid favouritism and nepotism in procurement the agreement must be awarded to the most economically and advantageous offer, as stated in the contract.
- Family members are not allowed to be included in a recruiting decision committee. This includes employment related decisions regarding a family member or other person with whom the employee has a close personal relationship.
- No employee or family member may have, directly or indirectly, a significant financial interest in any business organisation which does business with LIGHT FOR THE WORLD unless the interest has been fully disclosed in writing to the employee's superior.

6 Gifts

Receive of any gifts or other favours that may influence the decision of a person.

Possible forms of receiving gifts:

- While visiting a project partner abroad, a disproportional or expensive gift is given to the employee.
- Gifts are given to the project staff in order to receive services.
- Gifts to officials are made in order to speed up a process

Implications/Consequences for LIGHT FOR THE WORLD:

Small gifts are often tradition and a form of hospitality in the programme countries of LIGHT FOR THE WORLD. Not accepting them would be an expression of disrespect. Nevertheless there is a fine line between traditional and hospitality gifts and such ones which should influence the performance and decisions of the employee. Employees of LIGHT FOR THE WORLD do not give or receive gifts which are more expensive than around 30€ (invitations to dinner etc. are included).

In some countries a common practise are speed-up gifts. However project partners of LIGHT FOR THE WORLD will not practise this practice in any projects supported by LIGHT FOR THE WORLD.

Guidelines and Principles:

- Direct or indirect gifts or others favours that may influence the performance may not be accepted or given.
- Cash gifts are never accepted
- All employees and project partners are expected to show good judgment on the kind of gift they receive – when in doubt inform or ask a superior.
- Minor gifts may be accepted in order to respect local traditions and conventional hospitality (in no case more expensive than a counter value of around 30€). All minor gifts have to be shared with the colleagues.

Annex II – Clause for partnership agreements

The contract partners are obliged not to offer third parties advantages of any kind, whether directly or indirectly, nor are they to accept gifts, secure or demand advantages, for themselves or others, directly or indirectly which are deemed or possibly deemed an illegal act or bribery.

(Clause from Bred for All)

ANNEX IIIa – Checklist in case of a complaint within the confederation

When a complaint reached you please check that each of the following points is complete and respects the following criteria:

Name of the person/partner suspected:	Checked	Not checked	Remarks
<u>Legal-Action-Cases</u> : The director(s) (or board) has/have to be informed before the investigation starts.			
<u>Information flow</u> : The concern letter/eMail will be forwarded directly to the immediate superior (if not directly informed) of the person/persons suspected. If the suspected person is the director of a confederation member, it will be dealt with by the respective board. The immediate superior dealing with the complaint will confirm receipt to the complaint team.			
<u>Inform senior management</u> : If the case of corruption could be of interest to the national/int. press, the senior management is immediately informed of the investigation.			
<u>Background check on incoming suspicion</u> : The investigation will be conducted by the superior and the next line manager is kept up to date. The suspected person has the chance to describe his/her view of the concern. If there is a good reason for not involving the suspected person, or if the reporting person is not satisfied with the way in which the reported concerns were addressed, this should be conveyed to the next level of management.			

<p><u>Advice on how to settle the concern:</u> After investigation the superior advises the next level of management on how to settle the complaint by sending them a report containing his/her findings, recommendations and the views of the suspected person, the complainant and relevant staff member. The report may also include general recommendations to enhance the ICS and/or current practices.</p>			
<p><u>Decision:</u> The senior management then decides what should be done about the particular case and informs the persons involved in writing of the results of the inquiry, the decision taken and any conclusions attached to the decision.</p>			
<p><u>Chance to appeal:</u> After communicating the decision to the person in suspect, he/she has the chance to appeal and send his/her view to the respective chair of the board.</p>			
<p><u>Sanctions:</u> The agreed sanctions are executed.</p>			
<p><u>Internal Information:</u> The complaints team receives a copy of the report (4.) as well as information on decisions taken and possible sanctions.</p>			

ANNEX IIIb – Checklist in case of a complaint in programme/project work

When a complaint reached you please check that each of the following points is complete and respects the following criteria:

Name of the person/partner suspected:	Checked	Not checked	Remarks
<i>Legal-Action-Cases:</i> The director(s) (or board) has/have to be informed before the investigation starts.			
<i>Information flow:</i> The project/programme officers within LIGHT FOR THE WORLD in the national office as well as in the country office are immediately informed. The Investigation will be conducted by the project officers and if necessary by another person from the management with greatest possible confidence. The next management level within LIGHT FOR THE WORLD is informed on the investigation.			
<i>Information of senior management:</i> If the case of corruption could be of interest to the international press, the senior management is immediately informed of the investigation. If projects of the partner are funded by other Confederation members, they have to be informed immediately as well.			
<i>Background check in incoming suspicion:</i> First of all proof is to be provided. What is the source of information? Is it from own observations, through media or through rumours? Rumours, information from third parties and denunciations must be properly checked in a serious but discrete way.			

<p><u>Scope of corruption:</u> After a critical examination the estimated scope of the suspicion will be assessed. How serious is the suspicion and how serious is the impact on LIGHT FOR THE WORLD? In a lot of cases an external audit is conducted.</p>			
<p><u>Advices on how to settle the concern:</u> The investigation results are put together in a report with the major findings and clear recommendations on actions to be taken. The report is handed over to the next management level and the head of programmes for decision.</p>			
<p><u>Decision:</u> LIGHT FOR THE WORLD decides what should be done about complaint and informs the partner in writing of the results of the inquiry, the decision taken and any conclusion attached to the decision.</p>			
<p><u>Sanctions:</u> The agreed sanctions are executed.</p>			
<p><u>Internal information:</u> The complaints team receives a copy of the report as well as information on decisions taken and possible sanctions.</p>			

ANNEX IV – Legal-Action Cases

Following cases fall under the Legal-Action Clause and have to be treated accordingly:

Legal-Actions are taken:	Checked	Next step arranged	Remarks
Abuse and Misuse of funds and property (this includes stealing of money or equipment from the office, hospital, school, etc.) / any form of theft			
Engaging in luxurious and more expensive procurements (from friends or family members)			
Harassment including sexual harassment (child abuse) under abuse of power			
Acceptance of expensive Gifts / Money – (Considering the fine line between traditional and hospitality gifts)			
Faked invoices or accounts, false documentation on order to receive project funds (misuse of project funds)			
Selling of project car, furniture, medicines or other new or old goods without reporting and banking the income			
Receive full-time payment for part-time work			
Purchasing private goods with project funds			
Systemic corruption – systemic camouflage of embezzlement, etc. to save the reputation of the organization and its management			
To favor family members, friends or other personal relations in recruiting, procurement, aid delivery or other situation.			