

## ANTI-CORRUPTION POLICY AND PROCEDURES

### For The Finnish Evangelical Lutheran Mission (FELM)

#### 1. INTRODUCTION

Corruption is globally one of the biggest assaults against human rights. It takes place in all nations and all levels of society. It may appear either because of greed, need, opportunity, lack of punishment or proper follow-up, peer pressure or simply because of habit. Corruption radically distorts all development efforts and deepens poverty and inequality. People in the most vulnerable situations are the ones that pay the biggest price of corruption. They are stakeholders of FELM's work.

FELM understands corruption as being the abuse of entrusted power for private gain.

#### 2. PURPOSE AND SCOPE

- 2.1. The purpose of this Anti-Corruption Policy is to prevent occurrence of corruption within FELM and its cooperation with partner organisations. It also provides guidelines on how to act when suspicions of corruption or other type of misuse appear.

**FELM's values are:** Christian hope, neighbourly love, protection of human rights, reliability and transparency. These values build a strong base and reason for anti-corruption work and prevention.

##### The policy aims to:

- Ensure that financial and other resources are used solely for the intended purposes;
- Strengthen FELM's and its partners' governance structures in order to eliminate any types of corruption, material and immaterial;
- Provide a clear and accountable reporting mechanism for revealing corruption or unethical actions;
- Guarantee legally accountable and highly ethical practices;
- Promote a culture of honesty and transparency among the staff, management of FELM and its cooperation partnerships abroad;
- Ensure that vulnerable populations are not disadvantaged or exploited by staff members or their associates who commit unethical and/or corrupt acts or otherwise use bad governance practices in their actions or decisions;
- Emphasise that anti-corruption, strengthening governance and principles of good governance are necessary to be taken into account in all activities inside FELM and its international cooperation partnerships;
- Assure that members of staff and stakeholders can safely and confidently raise and report all concerns about unethical conduct or suspected corruption;

- Endorse that it is a professional and ethical obligation of all staff members to report any suspicions of corruption, illegal or unethical behaviour inside FELM or inside the activities supported by FELM or influencing work funded by it.
- Emphasise that staff members are obligated to know and follow the content of FELM's Anti-Corruption Policy and Procedures;
- Staff members of FELM are obligated to train and inform partners and stakeholder groups about FELM's Anti-Corruption Policy and Procedure.

2.2. This Policy applies to all FELM employees (full time, part time, temporary and casual as well as volunteers) and also to non-FELM implementing partners who access funds from FELM through the FELM funding mechanisms.

### 3. POLICY PRINCIPLES

- 3.1. The FELM Anti-Corruption Policy is one of zero tolerance. The FELM governing bodies shall not tolerate the fraudulent and corrupt use of funds and resources by FELM staff, volunteers, or by the external implementing partners of FELM.
- 3.2. FELM is committed to the prevention, detection and investigation of all forms of corruption, whether these are attempted from within or outside the organisation.
- 3.3. FELM is committed to ensuring that concerns raised by staff, partners or stakeholders are investigated fairly, equally and in a responsible manner.

### 4. DEFINITIONS

- 4.1. FELM understands corruption as being **the abuse of entrusted power for private gain**.
- 4.2. The definition applies to all action and practices that can either be defined as unethical or legislatively punishable malpractices.
  - **Bribery** is the act of offering money, services or other valuables in order to persuade someone to do something. It can also appear as passive, which is the act of accepting and receiving the given bribe. It can either be material or immaterial (incl. sexual favours/abuse);
  - **Extortion** is the unlawful demand or receipt of property or money through the use of force or threat;
  - **Favouritism/nepotism** refers to the normal human inclination to prefer acquaintances, friends, ethnic or religious group or family over strangers;
  - **Embezzlement** is the misappropriation of property or funds legally entrusted to someone in their formal position as an agent or guardian.
  - **Conflict of interest** arises when an individual with a formal responsibility to serve the public or civil society participates in an activity that jeopardises his or her

professional/position-based judgement, objectivity and independence (incl. unfounded provisions).

- **Fraud** is an economic crime involving deceit, theft, false accounting, trickery or false pretences, by which someone gains unduly. Fraud can relate to an organisation's financial, material, or human resources, assets, services and/or transactions;
- **Misuse of funds/resources** is when resources or funds are not used for their intended ways or purposes, most often because of private gain.

4.3. The policy covers all bona fide concerns also raised relating to the following:

- Supporting or accepting any practices or conditions that are against the law in the country of issue;
- Providing any extra payments/provision for duties that are already included in the actual work position of the person;
- Receiving funding from two or more donors for the same purpose;
- Practicing financial irregularities such as inflated, duplicate, or fictional invoices for goods and services procured for a project;
- Documenting fake employees, NGOs, participants or beneficiaries that inflate the costs of project activities;
- Abuse of resources belonging to or provided by FELM, or purchased using funds raised by FELM. This can include theft and computer crimes where a computer or network is the source, tool, target, or place of a crime (e.g., unauthorized access, suppression of data, electronic fraud, etc.);
- Active or passive participation or concealment any of the above mentioned.

## 5. WHAT TO DO WHEN SUSPICIONS ARISE?

Strengthening the governance is the best way to prevent corruption, but clear regulations and policies are also needed when suspicions of corruption or other unethical actions appear.

The reporting mechanism prevents corruption and strengthens the organisation's accountability. The reporting mechanism also acts as part of FELM's anti-corruption work and supports its risk management mechanism.

Reporting is always relevant when there is reason to believe that corruption or an unethical act has occurred. Reporting does not necessarily require supporting evidence. FELM cannot encourage or approve the use of measures that might endanger the reporter's safety or force the use of illegal actions.

### 5.1 Reporting

Local partners of FELM shall notify the FELM management (regional/headquarters) if the subject of concern is a member of FELM staff. FELM employees and volunteers, in most cases, shall raise any concerns with their line manager or supervisor. If the direct line manager is the subject of concern or complaint, they should speak or write to a more senior manager inside FELM's organisation. The regional director (or possibly other staff member) is obligated to report each reported suspicion to FELM headquarters in Helsinki.

If the subject of concern is a member of a partner organisation, the reporter of the incident shall inform any FELM staff member or use the reporting link on FELM's home page.

All information will be handled with high confidentiality. The reporter of the incident will be provided follow-up during the process of investigation. It is also possible for everyone to report anonymously through the reporting link which is placed on FELM's home page.

In order to ensure more efficient and accountable investigation based on reports, it is recommendable to report by using personal names. It is also recommendable to use public computer when reporting. All personal information will remain confidential and will not be given to third parties.

The person doing the reporting is responsible for providing accurate information. It is forbidden to report by using someone else's identification or otherwise providing information with unjustified motives. Reporting systems shall not be used for inappropriate purposes, for example to harm any organization or individual.

Reporting of corruption or otherwise unethical practices can include the following areas:

- Your name, contact information and organization (not compulsory if it is preferable to stay anonymous)?
- What happened?
- When and where did it happen?
- Who was involved? Who else might have been involved?
- Which partner organization/project/country?
- Any supporting documentation?
- Who else might have information on the case?
- How does your allegation relate to FELM?
- Have you taken any other action in relation to this case?

## 5.2 Investigation

All reported information will be investigated. Further actions are taken based on investigation. Reported data and evidence of the reported incident must be protected and be available only for those who need the information to carry out their duties.

The following guidance is intended **to help those (in FELM staff) receiving information** to react properly to safeguard the interests of all parties involved.

- Write down the facts you have heard in as much detail as possible. Start making written notes of all subsequent developments in the case;
- Keep the information as confidential as possible ("need to know" basis only). You cannot be sure who is involved.

- Consider the risks from different people's point of view. Protect both the reporter of the incident and the suspect(s) until some clarity about the case can emerge;
- Contact the respective FELM Unit in the Helsinki headquarters in order to negotiate the appropriate actions to take;
- Contact the management of the partner organisation if needed;
- Consider contacting competent persons outside the organisations (a lawyer, an auditor familiar with national laws, the local anti-corruption office);
- Secure the evidence and prevent further losses: protect all possible documents (bookkeeping, auditing records), make sure technological evidence is left untouched and isolated, and secure that further losses will not occur, such as with banking authorisations;
- Draft an interview list for persons working with or near the affected irregularities, to be used in an investigation;
- Inform those bringing the issue to your attention that their message has been received and that action is being taken, without forgetting confidentiality.
- Work with your respective unit on how to inform the affected donors and the media (if needed) in Finland. All decisions concerning contacting affected donors and media are to be made in FELM's Communication Department and Domestic Department;
- Plan for learning from the issue within FELM, to mitigate the risk of something similar happening elsewhere.

### 5.3 Disciplinary measures

Concerns and suspicions should not be the basis for disciplinary action before proper investigation is conducted.

If disciplinary actions concern with a FELM employee they may be taken under applicable labour law regulations. When criminal actions are suspected, FELM will contact the police.

The partner organisation is responsible for decisions concerning their own staff members, although in many cases mutual considerations might be needful. When criminal actions are suspected, FELM requires the partner organisation to contact the local authorities. Depending on the case, FELM might use reported data for future decision-making.

If the investigation shows incidences of corruption or unethical actions inside the cooperation abroad, the following actions may be taken:

- The payment of support is suspended;

- A date is set by which the conditions for further support must be met;
- The support or part of it already received by the partner organisation must be returned;
- In some cases, no further payments of support are made;
- In some cases, a criminal proceeding takes place;
- In severe cases the partnership with the partner organisation may be finished temporarily or conclusively.