Title	Fraud, Loss and Bribery Policy
Owner	Director Business Operations
Version	Final – May 2025
Approved by	ET, 26 May 2025
Who must follow this policy	All staff, supervisory council members, interns, consultants, office volunteers and ambassadors
Next review due	January 2028
Related policies & procedures	Whistleblowing policy Wrongdoing Reporting & Investigation Flowchart P&C cycle General conditions for the Project Agreement Code of Conduct (Gedragscode) General conditions of employment

Why this policy is needed

Tearfund (from hereon TF) is committed to conducting all aspects of its work fairly, openly and honestly and in accordance with the highest ethical and legal standards. This includes a commitment to implementing and enforcing effective systems to counter fraud, bribery and corruption, and to minimise losses.

TF complies with applicable legislation, including the Dutch Civil Code (Burgerlijk Wetboek) and the Dutch Criminal Code (Wetboek van Strafrecht), with the CBF-Erkenningsregeling, with the CHS, and with other regulatory requirements and applicable guidance.

Terms & Definitions

Fraud - Fraud is a commonly understood term but different definitions emphasize different aspects. TF considers that fraud is knowingly making an untrue or misleading representation with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another. This includes intentional misstatement of financial reports by staff or partners for personal or organisational benefit (including covering up mistakes).

Loss - Losses are not necessarily caused by fraud. Non-fraudulent losses include:
● genuine errors
● misplaced or lost items
● uninsured accidents
● theft or confiscation by a third party (e.g. by a community member, armed group, or government, without the involvement of TF representatives or partners)
Note: from a safety and security perspective, such incidents are likely to be treated as theft, robbery, etc. But from a financial perspective, they are likely to be treated as a loss if there was no involvement of Tearfund representatives or partners.
● banking or financial system losses (e.g. there may be losses incurred if a bank goes into liquidation)
● so-called "fruitless" payments (e.g. where a contract has had to be cancelled and a penalty is due, or where a payment has been made for goods or services not supplied and it is not possible to recover the money).

● losses incurred due to partner organisations becoming insolvent and not being able to meet their financial contractual arrangements and responsibilities.

Bribery - Bribery means offering, promising, giving, requesting, accepting, agreeing to receive or act in anticipation of a financial or other advantage to persuade or encourage a person towards or reward another person for improper behaviour. Bribery is a form of corruption. As a Netherlands-based NGO, TF's international operations are subject to the Dutch Civil Code and the Dutch Criminal Code. TF can also be guilty of bribery if it allows bribery on its behalf by anyone, including staff, office volunteers, interns, consultants, supervisory council, partner organisations, or other parties acting for your organisation.

Financial or other advantage – means that the gift does not have to be money, it can be anything that the person receiving it would see as being valuable either for themselves or somebody close to them. This could include contracts, non-monetary gifts or even offers of employment.

Improper behaviour means anything that is illegal, unethical or a breach of a duty, an expectation of good faith or impartiality, or a position of trust, whether in the public or private sector, anywhere in the world. In the workplace, this might mean stealing from an organisation, giving out confidential information, or giving unfair advantage to somebody. No matter how small the amount, any advantage given, requested or accepted in return for doing something improper is regarded as a bribe.

Near misses - An unplanned event that has the potential to cause, but does not actually result in human injury, environmental or equipment damage, or an interruption to normal operation. Fraudulent transactions which were prevented, suspicious activity that was detected, or calculation errors which were discovered, are the 'near misses.'

Corruption means 'any abuse of a position of trust in order to gain an unfair advantage'.

Further information on bribery and fraud, including videos, background articles, brochures, warnings, campaigns and more are found at https://www.fraudehelpdesk.nl/

Policy Statement

TF has a zero-tolerance policy towards fraud, bribery and corruption. This means that TF:

- does not accept any level of fraud, bribery or corruption within the organisation or by any other individual or organisation receiving funds from or representing TF
- will always seek to take appropriate action against those found to have perpetrated, be involved in, or assisted with fraudulent or other improper activities in any of its operations
- is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum.
- always requires all individuals working for the organisation to act honestly and with integrity and to safeguard the resources for which they are responsible.
- mitigates fraud, bribery and corruption through the implementation of robust processes, controls and reporting procedures that are fit for purpose and regularly reviewed.

The prevention of fraud, bribery and corruption is critical because:

1. They are not consistent with Tearfund's values and what the Bible teaches (see e.g. Mark 10:19, Exodus 23:8, Leviticus 19:11,13, Deuteronomy 10:17, 16:19, Proverbs 11:1, 15:27, 20:10, 20:17, 21:6, 29:4, Amos 5:12, Micah 2:1-3)
2. They are not consistent with Tearfund's characteristic to act with integrity
3. They are not consistent with our Quality Standards on accountability. We are accountable to God for the use of our time, and resources. We are accountable to the communities we serve, and to our partners and supporters, to be honest, trustworthy and transparent in all we do. We are committed to making what we do consistent with what we say.
4. They are criminal offences and gross misconduct:

a. The Netherlands and most of the countries where Tearfund works criminalise fraud, bribery, and corruption, and often impose severe penalties for individuals and organisations who perpetrate these crimes.

b. Fraud, bribery, or corruption of any size, including facilitation payments, are unacceptable and if anyone representing Tearfund were found to have committed or enabled them, it would constitute personal gross misconduct and the individual would be subject to Tearfund's the disciplinary measures set out in the Code of Conduct and Wrongdoing Reporting & Investigation Flowchart. This may lead to the dismissal of the individual concerned and/or criminal prosecution.

5. They pose a major risk to Tearfund. Our corporate and country-level risk assessments consistently show that fraud, bribery, and corruption are among the greatest risks to our assets, reputation, and ability to serve local communities.

6. They cause major harm to society. Fraud, bribery, and corruption severely undermine critical elements of just and prosperous societies, including:
   a. Good government
   b. The rule of law and prevention of crime
   c. The development of fair economic markets and opportunities

Reporting and Responding to Incidents/Concerns of Fraud, Loss or Bribery

This section provides guidance on what to do if fraud, loss or bribery is suspected or attempted, or near-misses are detected. These are ever-present risks to valuable resources (both money and other assets) and also represent a threat to the reputation of TF and its partners.

It is therefore TF's policy that:
- All staff have the responsibility to report any suspected fraud, loss, bribery, or corruption
- All reported incidents of fraud, loss, bribery, and corruption will be taken seriously and will be investigated and responded to thoroughly.

Staff members are often the first to realize that something is wrong. Where a staff member suspects that fraud, loss or bribery has occurred, they must:
- Inform TF immediately.
  - If they feel uncomfortable about this they should report their concern to whistleblowing@tearfund.nl. Or through Safecall, a totally independent organisation working for TF, and state their concern: +44 (0)800 915 1571. If you call this number a Dutch translator should be available. If the concern is about a member of the Supervisory Council or the CEO, you can call Safecall or report to whistleblowing@tearfund.nl and mention that this is about a member of this specific group.
- Be as specific as possible (with names, places, dates, times, quantities, values etc)

Tearfund's Whistleblowing Policy protects staff and others from any form of punishment or unfair treatment (e.g. dismissal, disciplinary action, victimisation, threats or any other unfavourable treatment) for reporting their concern.

In accordance with the General Conditions in the Project Agreement, partner organisations are required to report immediately all incidents or allegations of fraud or bribery within their organisations, whether involving TF funds or not, to the relevant Country Lead. Concerns may, however, come to the notice of TF staff members in other ways (e.g. routine financial monitoring, tip-offs from third parties, etc.). Whenever a concern arises in this way, the TF staff member must take the matter seriously and discuss it with the Country or Cluster Lead, who will then report their concern to whistleblowing@tearfund.nl through the incident report form and submitting this using the instructions on the form.

The concern will then be responded to as soon as possible per TF's Wrongdoing Reporting & Investigation Flowchart, which includes steps for:
- Classification
- Risk assessment

- Mapping of other stakeholders to see who needs to be involved in what way (information sharing, shared actions, etc.)
- Actions to protect people, finances and assets. This may include freezing or reducing partner grants.
- External reporting, as appropriate to the CBF, police, Integral Alliance, donors, etc.
- Internal communication and notifications
- Investigation, if required
- Taking action after investigation
- Learning
- Closure of the case.

Any incidents/concerns classified as critical will be notified to the CEO and Safeguarding and Wrongdoing Committee as soon as possible.

All actual and alleged incidents and concerns are registered in the Incident Register. This includes wrongdoing and instances of serious crime. It does not include all incidents and concerns that lead to relatively low financial loss and/or reputational damage and that are beyond reasonable control for Tearfund.

All fraud and bribery incidents/concerns are reported to the CEO and to the Safeguarding and Wrongdoing Committee every six months. This includes any losses which are estimated >€ 25,000 or which may have a serious reputational impact.

Closeout of Incidents/Concerns

The Safeguarding and Wrongdoing Committee approves closure of all fraud and bribery incidents/concerns.

Closure of the case will only occur when the Safeguarding and Wrongdoing Committee is satisfied that the incident/concern has been satisfactorily resolved, including sufficient investigation, actions and recovery of losses. In the case of fraud, actions to recover losses may include action against third parties involved in a fraud or whose negligent actions contributed to the fraud.

Training, Awareness & Prevention

TF is committed to ensuring that all trustees and staff are aware of:

- this policy,
- risks and warning signs of fraud, bribery and corruption,
- prevention measures, and
- how to report concerns

Therefore:

- All staff, office volunteers, consultants, interns, and members of the Supervisory Board are required to complete annual e-learning modules on:
    - Fraud Awareness
    - Anti-bribery and corruption
    - Whistleblowing
- As noted above, the Wrongdoing Reporting & Investigation Flowchart includes steps for learning from incidents