



Eurasian Women's Network on AIDS

Policy on corruption, fraud and mismanagement

1. Introduction

The Eurasian Women's Network on AIDS (EWNA) dedicated to protecting the rights of women living with HIV and vulnerable to HIV, developing and strengthening their potential, and making women's stories and voices are visible and meaningful, including in decision-making processes at different levels.

Cases of corruption, fraud and/or mismanagement (CFM) undermine the work of existing and potential EWNA stakeholders including grantees, donors, and ultimately the women's communities that benefit from the programs and activities funded. Therefore, the EWNA is committed to prevent and detect acts of corruption, fraud and mismanagement, and to effectively take action when they occur.

This EWNA CFM policy forms part of the EWNA governance policies. Since the the donors and the grantees of the EWNA each have their own organizational CFM policies, the purpose of this first part of the CFM policy is to state the position of the EWNA on the prevention and detection of corruption, fraud and mismanagement, to set out its strategy and to create clarity on the principles and the roles of the different stakeholders within the EWNA. Adherence to this policy is mandatory for all EWNA sub-grantees.

The EWNA's intolerance of corruption, fraud, and mismanagement is aimed at the protection the civil society movement and its important work.

2. Definitions

Corruption and fraud are covert activities, undertaken by an individual or a group, to gain some form of benefit for the individual or the group. They are in conflict with the governance charter, aims, rules, procedures or culture of an organization, network or consortium of networks, or they are illegal. EWNA uses the following definitions of corruption, fraud and mismanagement:

Definition of corruption

Corruption is defined as the "misuse of entrusted power for private gain. It hurts everyone who depends on the integrity of people in a position of authority"¹. Following the example of the UN, the EWNA identifies various forms of corrupt offences, including but not limited to: bribery (or the offering, giving, soliciting or acceptance of an inducement or a reward in order to (or to try to) improperly influence someone's actions); extortion; facilitation payment; collusion; fraud; obstruction of justice; embezzlement, misappropriation or other diversions of property by a

¹ The definition of corruption provided by Transparency International:
<http://www.transparency.org/whatwedo?gclid=Ci34t8yS4LICFaTjtAodRS0A2g>

public official; abuse of function; illicit enrichment; creating or exploiting conflicting interests; favouritism or nepotism; or the failure to disclose an interest in order to enjoy financial or other benefits or gains².

Definition of fraud

The EWNA understands fraud to mean the acquisition or misuse of EWNA funds or property by deception. For the purposes of this policy, fraud affecting RCNFs interests shall consist of any intentional act or omission relating to:

- the failure to disclose an interest in order to enjoy financial or other benefits or gains, or cause a loss, to a person, program or organization in the process of distribution of RCNF funds;
- the misapplication of RCNF funds for purposes other than those agreed in the contractual arrangement;
- the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misapplication, misappropriation or wrongful retention of RCNF funds;
- the non-disclosure of information in violation of a specific obligation, with the same effect.³

Definition of mismanagement

Management, or internal control, of a planned and funded program is the organization, policies and procedures used to:

- ensure that the planned and funded program activities achieve their intended results;
- guarantee that the resources used to deliver these programs are consistent with the stated aims and objectives of the organizations concerned and in accordance with the agreement with the funder;
- protect programs from waste, fraud and mismanagement;
- provide reliable and timely information that is obtained, maintained, reported and used for decision making.⁴

Mismanagement is the failure to manage or control an approved programme according to the above definition. Mismanagement exists when a network or consortium of networks is not able to account for received funds.

3. Principles

Openness and transparency

Openness and integrity are essential elements of any process designed to identify, mitigate, and resolve issues of corruption, fraud and mismanagement. EWNA strives towards an atmosphere in which suspicions of corruption, fraud or mismanagement can be shared and reported, making sure that such reports are always followed up by careful investigation. EWNA works on establishing an environment that ensures grant funds are being used as they were intended, and that all parties involved in a CFM case are treated with respect.

All EWNA participants, members, staff and sub-grantees shall follow all required procedures in an open and transparent manner to ensure all necessary information related to a CFM case are

² The definition of corruption provided by the UN: <http://www.unodc.org/pdf/crime/corruption/Handbook.pdf>

³ The fraud definitions used by the OECD: <http://stats.oecd.org/glossary/detail.asp?ID=4781>

⁴ The definitions used by the OECD: <http://stats.oecd.org/glossary/detail.asp?ID=4779>

obtained. Consequences for failure to adhere to the CFM policies need to be clear to all EWNA participants, members, board members, country representatives, staff and sub-grantees.

Confidentiality

The EWNA advocates confidentiality with regard to suspicions of corruption, fraud and mismanagement. The EWNA staff adhere to the confidentiality in all matters relating to corruption, fraud and/or mismanagement. If fraudulent or corrupt conduct or mismanagement is suspected within a network or organisation, the Secretariat staff may cooperate with other donors who are working with this particular network or organisation. EWNA will do its best to ensure that the ad-hoc teams of internal and external stakeholders established to investigate and resolve CFM cases adhere to this confidentiality policy.

Capacity building and strengthening of networks

The EWNA advocates sound program management to ensure that programmes achieve their intended results; that the resources used to deliver these programmes are consistent with the stated aims and objectives of the organizations concerned; that programmes are protected from waste, fraud and mismanagement; and that reliable and timely information is obtained, maintained, reported and used for decision making. A respectful, fair and ethical approach will be used in addressing suspected and actual cases of CFM. The EWNA will act upon such cases with the intention of strengthening a network or consortium of networks obligation to comply with all stated items in the EWNA CFM policy, any contractual agreements with the FMA, and contractual agreements with any sub-grantee organizations or networks receiving EWNA grant funds. However, failure by EWNA sub-grantees to take appropriate action when CFM is suspected, including resolving any governance and/or financial reporting obligations as outlined in the contractual agreements and EWNA CMF policies will not be tolerated.

The EWNA promotes capacity building in financial management and accountability for grantees. A proactive approach to strengthening internal budget monitoring skills, tools and procedures should be a priority for all EWNA stakeholders. Sharing resources and strategies to support compliance with financial and grant obligations is a goal to ensure sustainable and effective use of funds throughout the duration of the granting period.

Accountability

The EWNA will take necessary steps to recover any losses arising from fraud, theft or other misconduct, including legal action. Further grant funding support will only take place once an organization can demonstrate they have taken appropriate actions to ensure their financial reporting and monitoring structures are rigorous and have been improved to ensure that corruption, fraud or mismanagement will not re-occur. When corrupt or fraudulent conduct demonstrated by a Board member or country representative of the EWNA has been confirmed following the outcomes of an investigation, that person(s) will be relieved of her position within the EWNA, and legal action against this person will be considered. Secretariat staff operates under its own fraud and integrity policies. When corrupt or fraudulent conduct has been demonstrated in Secretariat staff member, the Board will follow the provisions of the Secretariat integrity policy. Legal action against this person(s) will be considered.

4. Roles and responsibilities

The EWNA strives towards an atmosphere in which suspicions of fraud, mismanagement and/or corruption can be shared and reported, making sure that such reports are always followed up by

careful investigation. All EWNA sub-grantees, Board members, Secretariat staff need to be familiar with, and follow all EWNA policies, and implement strategies to mitigate risks and consequences.

The role of the Board

The Board is the governing body of the EWNA. It oversees the work of the Secretariat with regard to its response to suspicions of corruption, fraud and mismanagement. The Board is committed to ensuring that the Secretariat and the Board itself adhere to the EWNA CFM policies and principles. The Board has a designated member to provide guidance and oversight on the implementation of the CFM policy, and to serve as an information and feedback mechanism to facilitate improved communication between the Board and Secretariat on cases of CFM.

The role of the Secretariat

The Secretariat plays a central part in the EWNA's response to (and prevention of) corruption, fraud and mismanagement. The Secretariat advises the Board on possible improvements of EWNAs CFM policy, implements the policy and is responsible for the contracting of EWNA sub-grantees and the on-going monitoring and reporting of grant expenditures for the duration of the funding cycle. The Secretariat makes sure that all sub-grantees are familiar with the grant regulations, including the anti-corruption, fraud and mismanagement clauses as well as whistle-blowing procedures.

The Secretariat also has a responsibility to inform the Board of any suspicions of corruption, fraud and/or mismanagement in a timely manner. To guarantee confidentiality, suspicions and cases of corruption, fraud and mismanagement are shared with the designated board member. Together with Secretariat, she will decide when and how the Board will be informed. Together with the Secretariat, the designated Board member will agree on how all relevant stakeholders can be alerted and informed on potential and on-going cases of CFM. The Secretariat and the Board members will pledge confidentiality until a case is either substantiated or renounced.

The Secretariat will monitor contracts and inform donors if a clause deviates from this policy. Deviations between this policy and an individual donor contract, particularly regarding the CFM policy, will be reported to the Board by the Secretariat.

The role of EWNA sub-grantee networks or organisation

Sub-grantees are expected to immediately inform the Secretariat when financial or other irregularities occur in their networks or when a suspicion of CFM arises. When CFM occurs within a network or organization, the Secretariat is held responsible by the EWNA and is expected to execute the networks anti-corruption, fraud and mismanagement clauses. An organization is required to immediately contact the Secretariat if financial or other irregularities occur in the network or organisation, or a suspicion of corruption, fraud or mismanagement arises.

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