**Annex D – MCC Anti-Fraud and Corruption Policy**

**Objective/Background**

Fraud, bribery, and corruption are internationally recognized as substantial burdens on the operational and financial processes of organizations and harm the achievement of desired goals. Fraud and corruption can result in financial loss, reduced benefits to those we seek to serve, and loss of public trust.

This policy is intended to outline Mennonite Central Committee’s commitment to promote a culture founded on prevention of fraud and corruption.

The procedures specify steps for reporting and addressing incidents of fraud and corruption.

**Scope**

This policy applies to all MCC staff, both paid and voluntary, contract personnel, board members, and anyone involved in the delivery of MCC funded programs.

**Definitions**

*Allegation* – A statement or accusation by a person that an act of fraud has or may have been committed. This does not require evidence of the offence or identification of suspects, but there must be a reasonable basis for the accusation.

*Corruption* – offering, giving, receiving or soliciting, directly or indirectly, anything of value to improperly influence the actions of another party. Corruption can take the form of active and passive bribery, facilitation payments, material or intangible benefits, undue advantages or acceptance of gifts, donations, nepotism, misappropriation of funds for personal gain, or coercion.

*Fraud* – Any action intended to deceive another to improperly obtain a financial advantage or other benefit; avoid an obligation; or cause loss to another party. This involves deliberately dishonest, misleading, and deceitful behavior, or acting under false pretenses.

*Internal control* – A process, effected by the governing body, management and other employees, designed to provide reasonable assurance that risks are managed to ensure the achievement of the organization’s objectives.

*Investigation* – A search for or collation of evidence connecting or tending to connect a person or body with conduct that infringes any applicable laws or policies, procedures and guidelines.

*Whistleblower* – A “Whistleblower” is any person who reports activities that they consider to be illegal, dishonest, unethical or otherwise improper. Whistleblowers provide information on a reasonably held belief that wrongdoing may have occurred.

**Policy**

1. MCC is committed to high standards of probity and expects board members, staff, volunteers, contractors, and anyone involved in the delivery of MCC funded programs to act in accordance with the values of integrity and accountability in all their dealings to safeguard the resources and reputation of MCC.
2. Staff, board members, volunteers, contractors, and anyone involved in the delivery of MCC funded programs are forbidden from offering or attempting to offer, accepting or attempting to accept anything of value which improperly influences their actions or the actions of another party.
3. Staff, board members, volunteers, contractors, and anyone involved in the delivery of MCC funded programs are forbidden from engaging or colluding in acts of fraud. Such acts include, but are not limited to, theft, misuse or misappropriation of funds, materials and equipment or other assts; false accounting; false representation; provision of false information; and collusion with suppliers.
4. Staff, board members, volunteers, contractors, and anyone involved in the delivery of MCC funded programs are obliged to take reasonable steps to prevent acts of fraud, bribery or corruption, are required to report any incidents of fraud, bribery or corruption they have observed or suspect involving programs funded by MCC. Deliberate failure to do so will be viewed as an infringement of this policy.
5. MCC takes a zero-tolerance position with respect to fraud and corruption. Zero tolerance means that MCC will investigate, or require an investigation, of all allegations falling under the scope of this policy. MCC will take disciplinary and/or legal action against those found to have perpetrated, been involved in, or assisted with fraudulent or improper activities. Disciplinary action may result in dismissal of staff or suspension/withdrawal of partner funding.
6. MCC aims to reduce the risks of any opportunities for fraud and corruption by encouraging an anti-fraud and corruption culture, providing appropriate practical training, and designing its operational systems to minimize such risks.
7. Partners of MCC are expected to have policies and procedures for preventing and addressing fraud and corruption in the delivery of programs funded by MCC, including confidential complaints and whistleblower mechanisms.
8. All project agreements and commodity/logistical contracts will include anti-fraud and corruption clauses.
9. MCC partners are required to inform MCC of any allegations and incidents of fraud and corruption involving the delivery of programs funded by MCC, what steps they are taking to investigate the allegations, and what the conclusion of the investigation is and subsequent follow up actions.
10. MCC will maintain its own confidential fraud and corruption whistleblower reporting mechanism. This will be consistent with MCC policy #7412 Reporting Illegal, Unethical or Other Inappropriate Activity. MCC will also work with partners to investigate and follow up on allegations received by MCC.
11. Staff, board members, volunteers, contractors, and anyone involved in the delivery of MCC funded programs are not expected to resist bribery to the point of putting themselves or others at real risk of personal harm or injury.

**Procedures**

**Preventing Fraud and Corruption**

1. MCC will maintain internal systems and controls to deter, prevent, and detect fraud and corruption.
2. MCC staff, board members, and others representing MCC will be informed of and regularly reminded of this policy. New hires will receive this information as part of their orientation at the commencement of employment.
3. Anti-fraud and corruption terms and conditions and expectations will be incorporated into all project agreements..
4. MCC will ensure that partners understand the anti-fraud and corruption expectations and have necessary policies and internal processes to prevent fraud and corruption.
5. As part of the project financial reviews, assessments will be conducted as to the adequacy of implementing partners and policies and internal processes for preventing fraud and corruption.

**Reporting Fraud and Corruption**

1. Any MCC staff person, board member, or volunteer who has reasonable basis for believing fraudulent or corrupt acts have occurred has an obligation to report the suspected act to their supervisor immediately. If the suspected fraudulent or corrupt act involves their supervisor or they are not comfortable speaking with their direct supervisor, the suspicions must be reported to the next highest level of management or HR coordinator/director up to the Executive Director. If the suspected fraudulent or corrupt act involves the Executive Director, they must report their suspicions to the board Chair.
2. Consistent with MCC Policy #7412, violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.
3. Terms and conditions will be included in project agreements requiring the partners to report to MCC all allegations of fraud and corruption involving any person involved in the delivery of MCC supported programs and projects and to outline the follow up actions that are being taken.
4. Partners are required to report to MCC all allegations of fraud and corruption involving any person involved in the delivery of MCC supported programs and projects and to outline the follow up actions that are being taken. Reference #3-5 above on the monitoring of this. For Canada or U.S. based programs, partners will be expected to report to the program director and executive director of that Province or Region, and for international based programs, partners will be expected to report to the Country Representatives. The Country Representatives need to report to Area Directors who will forward on the allegation to the Program and Financial Services Directors. Financial Services Directors will report to the Executive Directors.
5. The Executive Directors and Finance Directors must inform the audit and finance committee of any allegations of fraud and corruption received or reported, and what follow up action is being taken.
6. MCC staff must also inform institutional donors of any allegations of fraud and corruption received or reported if funding from donor is involved as well as what action is being taken.
7. Any MCC staff person, board member, or volunteer failing to report suspected fraudulent or corrupt activity in a timely manner may be subject to disciplinary action, including removal from their role. Any partner failing to report suspected or allegations of fraudulent or corrupt activity in a timely manner may be subject to a suspension of funding.
8. Any MCC staff person, board member, or volunteer shall refrain from further personally initiated investigation of the alleged incident with any other party unless requested to do so by MCC Director level staff, members of the Audit & Finance committee, legal counsel, and/or public law enforcement.
9. Retaliation and retribution for reporting suspected fraudulent or corrupt activities made in good faith will not be tolerated.

**Investigation**

1. The Executive Director has the responsibility to ensure that all alleged fraudulent or corrupt acts involving MCC staff, board directors, or volunteers are properly screened and investigated. As such, the Executive Director must be advised of all suspected fraud, see point 6 for reporting obligations. The executive director will establish a team or appoint an individual responsible for the investigation of any allegations. Any investigation into MCC staff needs to have the Finance Director and HR coordinator/director (or a delegate) on the investigation team. If the suspicion of fraudulent or corrupt acts involves the Executive Director, then the Board Treasurer and Board Chair will be responsible for ensuring a proper investigation is conducted in coordination with the Finance Director.
2. The investigating team or individual will determine, in consultation with Executive Director, when to notify the employee involved and whether to recommend that the employee be suspended or temporarily reassigned.
3. If the alleged fraudulent or corrupt act involves a partner, the Executive Director will ensure that a proper investigation is conducted to determine whether any fraud or corruption has taken place.
4. The outcomes of any MCC investigation will be reported to the executive director, along with recommended follow up actions.
5. For Canada or U.S. based programs, partners will be expected to report to the Program Director and Executive Director of that Province or Region, and for international based programs, partners will be expected to report to the Country Representatives. The Country Representatives need to report to Area Directors who will forward on to the Program and Financial Services Directors the outcomes of any investigations. The Financial Services Directors will share with the Executive Directors of MCC Canada and U.S.
6. The Executive Director will keep the audit and finance committee informed of steps being taken to investigate all allegations of fraud and corruption received or reported.

**Action**

1. Any fraudulent or corrupt act determined to have taken place involving MCC staff, board directors, or volunteers will be followed up with disciplinary action as approved by the Executive Director in accord with this policy. Depending on the seriousness of the offense and the facts of each case, disciplinary action can range from written notification up to and including dismissal where appropriate and civil or criminal legal action. In cases involving monetary losses, MCC may pursue recovery of losses.
2. Decisions to prosecute or refer investigation results to the appropriate law enforcement and/or regulatory agency for independent investigation will be made in consultation with the audit and finance committee and legal counsel.
3. If an investigation results in a recommendation to dismiss an employee, the recommendation will be reviewed for approval by the Executive Director, Director of Human Resources, the employee’s direct supervisor, and, if necessary, by legal counsel before any such action is taken.
4. Staff and partners will be expected to follow the reporting guidelines in number 9 to report the follow up actions they are taking following an investigation of allegations of fraud and corruption.
5. The Executive Director will inform the audit and finance committee of any follow up steps being taken by MCC and partners following an investigation of allegations of fraud and corruption received and reported.
6. MCC will report to institutional donors from which MCC receives grant funding the outcomes of any investigation of fraud and corruption involving projects and programs involving their funding and the follow up actions being taken.

**MCC Data Protection Policy**

## This policy describes how this personal data must be collected, handled and stored to meet the company’s data protection standards — and to comply with the law.

## Definitions & Acronyms

|  |  |
| --- | --- |
| **Organization** | Mennonite Central Committee (MCC), a registered organization |
| **GDPR** | General Data Protection Regulation. |
| **Responsible Person** | means [insert name of person responsible for data protection within the Organization]. |
| **Register of Systems** | means a register of all systems or contexts in which personal data is processed by the Organization. |

### **1. Scope**

1. The policy applies to all MCC staff and volunteers, implementing partners, suppliers/vendors, subgrantees, stakeholders and associated entities.
2. This policy applies to all personal data processed by MCC.
3. The staff shall take responsibility for MCC’s ongoing compliance with this policy.
4. This policy shall be reviewed at least annually.
5. This arrangement applies whether handling takes place inside MCC office, between distinctive MCC workplaces within the same or more than one country, or whether individual information is exchanged to Actualizing Accomplices or third parties.
6. The Policy continues to apply even after persons are no longer of concern to MCC.

### **2. Data protection principles**

The Organization is committed to processing data in accordance with its responsibilities under the GDPR. Article 5 of the GDPR requires that personal data shall be:

1. Processed lawfully, fairly and in a transparent manner in relation to individuals.
2. Collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; further processing for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes shall not be considered to be incompatible with the initial purposes.
3. Adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed.
4. Accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that is inaccurate, having regard to the purposes for which it is processed, is erased or rectified without delay.
5. Kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes subject to implementation of the appropriate technical and organizational measures required by the GDPR in order to safeguard the rights and freedoms of individuals; and
6. Processed in a manner that ensures appropriate security of the personal data, including protection against unauthorized or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organizational measures.”

### **3. Proper, ethical and transparent processing**

To ensure its processing of data is lawful, fair and transparent, the Organization shall maintain a Data Management System.

1. The Data Management System shall be reviewed at least annually.
2. Individuals have the right to access their personal data and any requests made to the organization should be dealt with promptly.
3. Individuals have the right to request adjustment and amendment.
4. Where consent is relied on for processing data, evidence of opt-in consent shall be kept with the personal data.
5. Where communications are sent to individuals based on their consent, the option for the individual to revoke their consent should be clearly available and systems should be in place to ensure such revocation is reflected accurately in the Organization’s systems.

**4. Data Protection**

All staff must follow data protection principles such:

**4.1) Confidentiality**

MCC personnel need to always maintain the confidentiality of the personal data of persons of concern, even after a data subject is no longer of concern to MCC.

**4.2) Security**

To ensure the confidentiality and integrity of personal data, appropriate technical and organizational data security measures need to be put in place.

As a rule:

* Do not record the image or voice of a witness if there are security concerns.
* Do not discuss work/sensitive issues in public, in taxis or in front of drivers, with friends/family members or with colleagues outside of the documentation team.
* Always discuss with the victim/witness the safest way to get in touch and interact as it may put them at risk to call at home, leave messages, send emails or be seen with them.

**4.2.1) Threats** to data can be both external (e.g. theft, destruction, hacking, modification) and internal (e.g. unauthorized access by internal individuals, accidental loss/destruction).

**4.2.2) Measures** for data protection need to be taken for both:

a) information ‘in transit’ or data that is being communicated:

o face to face

o phone or video-call conversations

o emails

o chats

o SMS,

o information being uploaded to or accessed from a cloud storage and their metadata

b) information ‘at rest’ - data that is being stored:

o hard copies stored in a filing cabinet

o digital files saved on a hard drive (Password protected, safely moved)

o cloud storage or digital devices

**4.2.3) Recommendations:**

* Information should only be printed if necessary and all printed material should be destroyed when it is no longer needed.
* Information should not be emailed unless necessary. Any emails should never contain personal names nor contacts.
* Access to information should have limitation to who is clearly is responsible of accessing or using individual’s information, and access to computers used to store confidential data.
* Information sharing should be on a strictly need-to-know basis, enabling the source of any information leak to be easily established.
* Information stored electronically should be password protected.
* No Sensitive data or papers to be left on the desk when offices are not in use.

### **5. Need-to-Know Basis**

1. The Organization shall ensure that personal data are adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed.
2. Personal data can be shared on a need-to know basis for a specific purpose to target assistance and/or protection, provided the consent of the individual is given.

**6. Archive and Delete:**

* MCC ensure that personal data is stored securely.
* Access to personal data shall be limited to personnel who need access and appropriate security should be in place to avoid unauthorised sharing of information.
* When personal data is deleted this should be done safely such that the data is irrecoverable.
* All personal information stored shall be deleted two years after the completion of the project.

**7. Breach**

In case of breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data, MCC shall promptly assess the risk to people’s rights and freedoms and if appropriate report this breach to the person in charge.