

**APPROVED BY:** Board of Directors  
**REVIEW RESPONSIBILITY:** Audit Committee  
**STAFF RESPONSIBILITY:** Finance Director/Controller & Executive Director

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## **POLICY OBJECTIVE & BACKGROUND**

HOPE International Development Agency (hereafter HOPE) believes that good governance is fundamental to the economic and social development process of all people, and hence is inherently linked to the objectives of the work of HOPE and its partners. 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. As such, HOPE has a zero- tolerance policy towards corruption.

HOPE will promote accountable and transparent governance of its activities guided by the following principles:

1. Operations will be conducted in an ethical and accountable manner.
2. Financial resources and physical infrastructure will be managed in an efficient and effective manner
3. Financial oversight, service standards and performance reporting and all other accountability documents will be made available and accessible to donor constituency, to increase the opportunity for public scrutiny and involvement.

This policy is intended to outline HOPE'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.

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## **SCOPE**

This policy applies to all HOPE staff, both paid and voluntary, contract personnel, board members, officers, directors and anyone involved in the delivery of HOPE-funded programs. The policy explicitly prohibits corrupt payments directly, as well as any indirect payments through local partners, vendors, representatives, advisors and any other third party acting on behalf of HOPE or any partner to contractor.



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## 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 some stated 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 party 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.

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## POLICY

1. HOPE is committed to high standards of probity and integrity, it is expected board members, staff, volunteers, contractors, and anyone involved in the delivery of HOPE-funded programs to act in accordance with the values of integrity and accountability in all their dealings to safeguard the resources and reputation of HOPE.
2. Staff, board members, volunteers, contractors, and anyone involved in the delivery of HOPE-funded programs are to comply with all applicable anti-corruption laws in Canada and in any other country where work is undertaken.



3. Staff, board members, volunteers, contractors, and anyone involved in the delivery of HOPE-funded programs are forbidden from offering or attempting to offer, accepting or attempting to accept, anything which could be considered a bribe, whether in the form of an inappropriate gifts, money, favours, “kickbacks,” a disproportionate level of hospitality or any other improper advantage.
4. Staff, board members, volunteers, contractors, and anyone involved in the delivery of HOPE- 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 assets; false accounting; false representation; provision of false information; and collusion with suppliers.
5. Staff, board members, volunteers, contractors, and anyone involved in the delivery of HOPE- funded programs are obliged to take all 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 HOPE. Deliberate failure to do so will be viewed as an infringement of this policy.
6. HOPE takes a zero-tolerance position with respect to fraud and corruption. Zero tolerance means that HOPE will investigate, or require an investigation, of all allegations falling under the scope of this policy. HOPE 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 funding.
7. HOPE aims to reduce the risks of and 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.
8. Members and partners are expected to have policies and procedures for preventing and addressing fraud and corruption in the delivery of programs funded by HOPE, including confidential complaints and whistleblower mechanisms.
9. All project agreements and commodity/logistical contracts will include anti-fraud and corruption clauses.



10. Members and partners are required to inform HOPE of any allegations and incidents of fraud and corruption involving the delivery of programs funded by HOPE, what steps they are taking to investigate the allegations, and what the conclusion of the investigation is and subsequent follow up actions.
11. HOPE will maintain its own confidential fraud and corruption whistleblower reporting mechanism and will work with members and partners to investigate and follow up on allegations received by the HOPE.

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## **PROCEDURES**

### **Preventing Fraud and Corruption**

1. HOPE will maintain internal systems and controls to deter, prevent, and detect fraud and corruption.
2. HOPE staff, board members, member staff, and others representing HOPE 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 and contracts.
4. Contractors and partners are expected to understand the anti-fraud and corruption expectations and have necessary policies and internal processes to prevent fraud and corruption.
5. As part of project financial reviews, an assessment will be conducted as to the adequacy of implementing partners policies and internal processes for preventing fraud and corruption.
6. It is HOPE's policy and practice to only do business with reputable, honest and qualified partners who maintain appropriate procedures for project reporting on any projects which HOPE contributes funding or in-kind support. To this end, HOPE will conduct due diligence which will include research and examination on the history, operations, reputation and public profile of any potential partner prior to engaging with it in a development activity. HOPE will only proceed to establish a relationship with a potential partner if satisfied with the outcome of this due diligence process.



### Reporting Fraud and Corruption

7. Any HOPE staff person, board member, or volunteer who has a reasonable basis for believing fraudulent or corrupt acts have occurred has an obligation to report the suspected act to the executive director immediately. If the suspected fraudulent or corrupt act involves the executive director, they must report their suspicions to the board treasurer.
8. HOPE will maintain a confidential fraud and corruption whistle blowing mechanism and make all staff, board members, volunteers and project partners aware of the mechanism.
9. Terms and conditions will be included in project agreements requiring partners to report to HOPE any allegations of fraud and corruption involving any person involved in the delivery of HOPE supported programs and projects and to outline the follow up actions that are being taken.
10. Members are required to report to HOPE any suspicions and allegations of fraud and corruption involving any person involved in the delivery of HOPE supported programs and projects and to outline the follow up actions that are being taken.
11. HOPE staff must inform the audit committee of any allegations of fraud and corruption received or reported, and what follow up action is being taken.
12. HOPE staff must also inform Global Affairs Canada of any allegations of fraud and corruption received or reported if funding from Global Affairs is involved, and what follow up action is being taken.
13. Any HOPE 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.
14. Any HOPE staff person, board member, or volunteer shall refrain from further investigation of the alleged incident with any other party unless requested to do so by HOPE management, legal counsel, and/or public law enforcement.



15. Retaliation and retribution for reporting suspected fraudulent or corrupt activities will not be tolerated.

### **Investigation**

16. The executive director has the responsibility to ensure that all suspected fraudulent or corrupt acts involving HOPE staff, board directors, volunteers or contractors are properly screened and investigated. The executive director will establish a team or appoint an individual responsible for the investigation of any allegations. If the suspicion of fraudulent or corrupt acts involves the executive director, then the board treasurer will be responsible for ensuring a proper investigation is conducted.
17. The investigating team or individual will determine, in consultation with the executive director, when to notify the employee involved and whether to recommend that the employee be suspended or temporarily reassigned.
18. If the alleged fraudulent or corrupt act involves a partner, the executive director will ensure that a proper investigation is conducted by the member or partner to determine whether any fraud or corruption has taken place.
19. The outcomes of any HOPE investigation will be reported to the executive director, along with recommended follow up actions.
20. Partners will be expected to report to the executive director the outcomes of any investigations.
21. The executive director will keep the audit committee informed of steps being taken to investigate all allegations of fraud and corruption received or reported.

### **Action**

22. Any fraudulent or corrupt act determined to have taken place involving HOPE staff, board directors, volunteers or contractors will be followed up with corrective action. Depending on the seriousness of the offense and the facts of each case, corrective action can range from written notification and a probationary period up to and including dismissal where appropriate and civil or criminal legal action. In cases involving monetary losses, HOPE will pursue recovery of losses as appropriate.



23. 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 committee and legal counsel.
24. If an investigation results in a recommendation to dismiss an employee, the recommendation will be reviewed for approval by the executive director, human resources, the employees' direct supervisor, and, if necessary, by legal counsel before any such action is taken.
25. Partners will be expected to report to the executive director the follow up actions they are taking following an investigation of allegations of fraud and corruption.
26. The executive director will inform the audit committee of any follow up steps being taken by HOPE and partners following an investigation of allegations of fraud and corruption received and reported.
27. The executive director will report to Global Affairs Canada the outcomes of any investigation of fraud and corruption involving projects and programs involving their funding and the follow up actions being taken.

Note: When referencing the roles and responsibilities of the executive director in the above noted procedures, in the event it is the executive director facing allegations, investigation or action, the board treasurer will assume the roles and responsibilities of executive director in the procedures referenced.

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## FURTHER INFORMATION

Any questions about this Policy, or applicable anti-corruption laws should be directed to the Finance Director/Controller of HOPE:

Cynthia Dizon  
Controller

or

Kim Savage  
Executive Director

e: [cynthiad@hope-international.com](mailto:cynthiad@hope-international.com)

e: [kims@hope-international.com](mailto:kims@hope-international.com)

410 – 713 Columbia Street  
New Westminster, BC  
V3L3A2

Phone: 604-525-5481