



Anti-Fraud and Corruption Policy

June 2024

Approved by the VWB/VSF & VWB USA Board of Directors on June 17th, 2024

Preamble

Veterinarians without Borders (VWB) North America (VWB NA)'s work is grounded in a shared vision of respect for people, culture, local knowledge, human rights, laws, animal welfare, and the environment. We strive to work with people where they live to develop peaceful and sustainable solutions, recognizing that this can involve addressing conflicting values and aims. We also operate transparently and are committed to being accountable to our partners, beneficiaries, members and donors. We manage our resources efficiently and with integrity. Our policies and activities are informed by our Vision, Mission, Mandate, and Strategic Directions and is in compliance with Cooperation Canada's (formerly CCIC) Code of Ethics and the Istanbul Principles for CSO Development Effectiveness.

VWB NA recognizes that fraud and corruption is a prevalent issue, and has harmful effects on employees, the organization and society, and is a threat to our vision. VWB NA therefore has a zero tolerance policy towards Fraud and Corruption. Fraud and Corruption awareness, prevention, reporting and response are critical parts of the accountability and compliance culture at VWB NA and are of great importance to our employees, partners, members, sub-project holders, funders and other VWB NA stakeholders. Our internal and external stakeholders have a right to expect that we conduct all our activities to the highest ethical standards. This policy sets out the minimum standards and procedures that VWB NA is to follow, and addresses awareness, prevention, identification, reporting, investigation and close-out of fraud and corruption at VWB NA. Where the funder regulations are more restrictive, those regulations must be complied with and incorporated in our work.

Definitions

"VWB NA" refers to "Veterinarians without Borders North America", which consists of two organizations,

Veterinarians without Borders/Vétérinaires sans frontières (VWB/VSF) registered under the Canada Corporations Act

Veterinarians without Borders USA registered as a 501 (c)(3) in the United States

"VWB NA Employees or Related Personnel" includes all employees of VWB NA and country offices. The term also includes board members, volunteers, interns, and international and local consultants, in addition to individual and corporate sponsors (private sector grantors, foundations) of these entities and related personnel. This includes non-VWB NA entities and their employees and individuals who have entered into partnership, sub-grant or sub-recipient agreements with VWB NA.

"Corruption" involve the complicit exchange of private gain and abuse of entrusted authority. This includes offering, promising, giving, accepting or soliciting money, a gift or other private advantage as an inducement to, or reward for doing something that is illegal, an abuse of power or authority, a breach of trust or duty, or otherwise improper, in the course of carrying out an organisation's activities. Corruption can include nepotism or favouritism. Neither bribery nor corruption are restricted to monetary or material gain (of any size) but could also include intangible benefits such as status or information and can be for the benefit of an individual or interest group. Attempted Corruption is included in the definition of Corruption.

“Fraud” is civil or criminal deception, intended for unfair or unlawful financial or personal gain or to cause loss to another party, such as by misappropriation of assets, abuse of position, collusion, false representation and/or prejudicing someone's rights. Acts of theft are included in this definition of Fraud for the purposes of this policy, as is attempted Fraud.

“Fraud or Corruption related to VWB NA activities” means any Fraud or Corruption that:

(i) involves at least one person who is a VWB NA Employee or Related Personnel, or

(ii) involves VWB NA property (including money), services, or intangible benefits,

but does not include any Fraud or Corruption that a person who is a VWB NA Employee or Related Personnel encounters in settings that are unrelated to VWB NA activities, property, or services.

Example 1: An authority figure (Person A) attempts to use their position to get a community member (Person B) who receives a benefit from a VWB NA program to lie to VWB NA in order that Person A can also get some benefit for which Person A is not entitled. Even though neither person is a VWB NA Employee or Related Personnel, this would constitute “Fraud of Corruption related to VWB NA activities”. Any VWB NA Employee or Related Personnel who became aware of this situation would have an obligation to report it.

Example 2: A VWB NA employee is stopped by traffic police in a country where bribes are routinely paid to police in such circumstances. The police officer makes it clear a bribe is expected. The police officer has no reason to know that the person is a VWB NA employee. This is not a case of “Fraud of Corruption related to VWB NA activities.”

Examples of Fraud and Corruption

- Intentional concealment, omission, falsification or perversion of truth
- Inducing another to part with some valuable item or surrender a legal right
- Nepotism
- Bribery, kickbacks, and gratuities (other than legal and expected gratuities for such things as restaurant meals)
- Collusive behaviour with vendors
- Keeping false records,
- False claims (e.g. requesting payment for goods, services or activities not actually performed)
- Embezzlement and theft
- Receiving or providing financial and non-financial favours with the intent of facilitating activities that the person may not normally receive
- Transactions where there is a conflict of interest
- Falsification, misappropriation, and other fiscal irregularities such as: any dishonest or fraudulent act forgery or alteration of any document or account (including, but not limited to timesheets, payroll, accounts, travel and expense reports, procurement documents or inventory/asset registers)
- Forgery or alteration of a cheque, bank draft, or any other financial instrument

- Misappropriation of funds, commodities, securities, supplies, equipment, or other assets
- Impropriety in the handling or reporting of money, financial transactions, or bidding procedures
- Accepting or seeking anything of material value from suppliers or persons providing services/materials as provided by applicable policies on gifts
- Destruction or misappropriation of records, furniture, fixtures, or equipment
- Diversion, alteration, or mismanagement of documents or information, and/or any similar or related irregularity
- Any malicious use of internet and IT documents or messages
- Cybercrime and/or identity theft

General Responsibilities

Three pillars form the basis of the VWB NA Anti-Fraud and Corruption Policy, and all details set out in this policy shall be interpreted with these pillars in mind:

A. VWB NA Employees and Related Personnel shall not participate in or attempt any act of Fraud or Corruption;

B. All VWB NA Employees and Related Personnel have a duty to report suspected, actual, or attempted Fraud and Corruption related to VWB NA activities.

C. All reported instances of suspected, actual, or attempted Fraud and Corruption will be investigated, reported to authorities where appropriate, and appropriate action will be taken against those involved in Fraud or Corruption related to VWB NA activities.

Specific Responsibilities

1. VWB NA Employees and Related Personnel

VWB NA Employees and Related Personnel should have an understanding of the definitions and examples of Fraud and Corruption and be alert to the ways in which Fraud and Corruption could manifest in the VWB NA activities that they are a part of.

VWB NA Employees and Related Personnel should be watchful for Fraud and Corruption withing VWB NA and related third parties, including agents, consultants, vendors, and partners.

VWB NA Employees and Related Personnel have an obligation to report any suspected Fraud or Corruption (following the procedures set out in Appendix 1) as soon as is feasible.

VWB NA Employees and Related Personnel have the right to confidentiality when making reports of Fraud or Corruption, subject only to the exceptions required by law. To this end, reports of Fraud or Corruption can be made anonymously through the online reporting tool, www.vwbincidents.ca as described in Appendix 1.

VWB NA Employees and Related Personnel must be honest and follow instructions and policies for the handling of VWB NA program funds, making purchases, taking care of VWB NA property, and submitting reimbursement claims.

2. Management

Management plays a central role in anti-Fraud and Corruption compliance. VWB NA policies and procedures must be implemented by Management in a wide variety of contexts, including locales where some forms of Corruption are endemic. Therefore, no single set of rules or procedures will be appropriate for all contexts, and it is the responsibility of Management to tailor VWB NA procedures to reduce opportunities for Fraud and Corruption and improve the chance of detection of Fraud and Corruption in each context. Management does this this by:

1. Identifying the risks to which operations, locations and assets are exposed
2. Developing adequate controls
3. Ensuring effective compliance with controls.

Well-designed and cost-effective controls include the following:

- appropriate recruitment and training procedures for staff and volunteers
- sensitizing staff, consultants, volunteers, and partners about the Fraud and Corruption risks in the local environment, acting transparently and encouraging open discussion on local challenges
- establishing and communicating clear organization of responsibilities and reporting lines
- maintaining adequate staffing levels
- supervision and checking of outputs
- separation of duties to ensure that key functions and controls are not performed by the same member of staff
- complete and secure audit trails
- performance monitoring by management
- budgetary and other financial reports
- reviews by independent bodies such as auditors

Management is also primarily responsible for engaging with VWB NA international partners and contractors, and therefore it is Management that must take steps to communicate and ensure that these third parties receive, understand, and comply with this policy and other VWB NA policies and procedures meant to prevent Fraud and Corruption.

Major deterrents to fraud and corruption are the risk of being caught and the severity of the consequences. VWB NA will always take robust action, including prosecution, against those who commit Fraud. VWB NA Management will actively pursue the recovery of monies, using all legal means.

Management will keep the VWB NA board of directors informed of credible allegations or actual incidents of Fraud and Corruption in the course of regular reporting to the board. However, in the case where Fraud or Corruption leads to financial loss of \$1000 or greater, or in any case where VWB

NA may face criminal charges or civil lawsuits in relation to Fraud or Corruption, or in any case where there is a risk of reputational harm to VWB NA, then Management shall immediately inform the Board of Directors.

3. Board of Directors

The VWB NA board of directors is responsible for ensuring that VWB NA has policies and procedures in place to prevent, identify, and address any acts of Fraud or Corruption at all levels of the organization.

On an annual basis, the board of directors shall work with Management to review and improve policies and procedures designed to prevent and address Fraud and Corruption related to VWB NA activities.

The VWB NA board of directors shall take steps to review with Management any incidents of Fraud or Corruption on an annual basis.

Working with Partner Organisations

When working with partner organisations, additional control systems must be developed to detect and prevent fraud or corruption. Examples of additional controls required include, but are not restricted to:

- Ensuring a thorough, documented partner assessment is undertaken prior to engagement to assess the Partner's control environment. The assessment should expressly identify additional fraud risks.
- Building a relationship of trust through established Memoranda of Understanding (MOUs) and shared successes. If this trust is breached, termination of the partnership may follow.
- Ensuring VWB NA Policies are shared and understood by Partner staff, where Partner's own Policies are considered inadequate, conflicting or do not exist, e.g. procurement policy. This may involve training of Partner staff.
- Ensure reporting requirements are effectively communicated to Partner staff, including the type of documents expected to support all reports. This may involve training of Partner staff.
- Ensuring a signed partnership agreement supports all work with partners. This agreement should stipulate any additional controls required for the VWB NA funded aspect of partner work, e.g. opening a separate bank account for VWB NA funds.
- Ensure financial reports received from partners are thoroughly reviewed, fully supported and compared to the approved budget.

VWB NA Management will ensure that partner organizations have systems in place to ensure that:

- No offer, gift or payment, consideration or benefit of any kind, which constitutes an illegal or corrupt practice, has been or will be made to anyone at VWB NA, either directly or indirectly, as an inducement or reward for the award or execution of the Agreement.
- No employee of the partner organization will have been:
 - a) convicted during a period of three (3) years prior to and since the submission of any joint project proposal for an offence involving Fraud, bribery or Corruption; or

- b) under sanction, for an offence involving Fraud, bribery or Corruption, imposed by a government, an international governmental organization or an organization providing development assistance.

The partner organization under contract with VWB NA shall notify VWB NA Management immediately of any suspicion, allegation or actual case of Fraud or Corruption (including, for clarity, misuse of funds, bribery, or financial irregularity) and advise of the remedial action taken, including any changes to the financial management of the partner.

When contracting with VWB NA, the partner organization must be required to declare and guarantee that funding for the purposes of the project will not be knowingly used either directly or indirectly, in a manner that contravenes economic sanctions imposed by Canada and enforced by regulations under the United Nations Act (R.S.C. 1985, c. U-20); the Special Economic Measures Act (S.C. 1992, c. 17); the Justice for Victims of Corrupt Foreign officials Act (S.C. 2017, c. 210).

Appendix 1: Procedures for Reporting and Investigating Allegations of Fraud and Corruption

Reporting

Any person making a report of suspected, actual, or attempted Fraud or Corruption under this Policy shall, where possible, make it through the online reporting tool at www.vwbicidents.ca.

When online reporting is not possible, the report may be made in person to a supervisor, who will then make the report online.

Online reports are received by a third-party contractor who will be bound by a duty of confidentiality. Reports are to be forwarded to the associated email address that is checked by the Executive and the Director of Finance unless the report implicates the Finance Director in which case the report will be forwarded to the Executive Director.

VWB NA will report any instances of corruption, actual or attempted, to relevant authorities in Canada and partnering countries (as deemed appropriate). There may be additional requirements to report instances of corruption to donors e.g. Government of Canada, even where the value is minimal or unknown.

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Upon receiving a report, the Executive Director shall, in consultation with the Chair of the board of directors, establish an Investigation Committee comprised of:

- (1) the Executive Director
- (2) the Finance Director

- (2) a Director of International & Humanitarian Programs
- (3) in the case of Fraud or Corruption involving cash or property valued at \$5000 (Canadian) or more, the Treasurer; and
- (4) in the case of Fraud or Corruption that poses significant risk of reputational harm to VWB NA, the Executive Committee and/or representatives of the Board of Directors.

The Investigation Committee shall take all necessary steps to promptly investigate the alleged Fraud or Corruption and may, as necessary, engage experts to assist with the investigation.

Upon completing the investigation, the Investigation Committee shall prepare a report detailing the findings and conclusions of the committee and will provide it to the Executive Director. The Executive Director will take such disciplinary or contractual actions, and make any reports to authorities, as they deem reasonable in response to the report. In the event that the Executive Director is implicated in the Fraud or Corruption, the Chair of the Board of Directors shall assume the role of the Executive Director in this paragraph.

Confidentiality of Reports and Investigations; Non-retaliation

Any report of alleged or actual Fraud and Corruption submitted pursuant to this Policy must be treated confidentially to the fullest extent practicable. Staff will not be retaliated against for good faith reports of Fraud or Corruption. Only parties with a need to know should be advised of a report and any related investigation.