



Anti-fraud and corruption policy

Adopted by the Supervisory Board on 07-10-2024

Introduction

In this policy, Free a Girl sets out clear guidelines, principles and procedures in order to prevent and tackle corruption. It describes the steps that should be taken when corruption is suspected, and the sanctions to be imposed when corruption has been proven. The policy applies to all staff, volunteers and consultants working for Free a Girl, both in the Netherlands and abroad. The policy also applies to all partner organizations and other parties with whom contracts have been concluded (see the version of this policy for partners: 'Anti-fraud and Corruption Policy for partners').

Definition

Fraud and corruption involve the abuse of data, resources, or services that a person has access to through their role with Free a Girl, either to perform their duties or the supply of goods, for personal gain or improper advantage.

- a) The theft or misuse of property belonging to Free a Girl.
- b) The submission of wrongful claims for payments or expenses.
- c) The acceptance or offering of bribes, or the acceptance of gifts or other favors under conditions that can lead to the conclusion that the gift or favor was intended to influence decisions made by the Free a Girl employee.
- d) The acceptance of a commission from a third party or payment of a commission to a third party (bribery).
- e) Blackmail or extortion.
- f) 'Off-book' accounting or the making of incorrect or fictitious entries.
- g) The deliberate creation and/or distribution of incorrect or misleading financial reports.
- h) The payment of excessive prices or fees, which is not documented in the accounts.
- i) Violation of the foundation's procedures for personal gain or leading to financial loss for Free a Girl.
- j) A defamatory, irresponsible or deliberate act that conflicts with the interests of Free a Girl.
- k) Cyber Fraud: Unauthorized use or manipulation of IT systems, such as hacking or phishing, to gain access to confidential information.
- l) Conflict of Interest: Failure to disclose personal interests that could influence decisions within Free a Girl.
- m) Contract Manipulation: Fraud or bribery in tender processes or the deliberate manipulation of contracts and agreements.

Free a Girl applies a 'zero tolerance' principle with regard to corruption

Free a Girl applies a 'zero tolerance' principle with regard to corruption. Within the organization, this principle is translated in the following way:

- 1. Preventive measures
- 2. Active detection of corruption
- 3. Dealing with whistleblowers
- 4. Action in response to suspected corruption
- 5. Sanctions

1. Preventive measures

Procedures and work processes

The following elements play an important role in preventing and detecting corruption:

- Internal and external audits (by a registered accountant).
- The system of accounting and internal controls, which describes all work processes.

Awareness of current procedures, protocols, and guidelines has a preventive effect by ensuring that staff are well-informed.

Decision-making

Corruption can be prevented and discouraged by maintaining a division of tasks relating to the authorization and implementation of decisions, and the internal monitoring of these. The basic rule is that the person who is authorized to take a financial decision should not be the same person who carries out or monitors this decision.

To maintain a division of tasks, Free a Girl adheres to the following procedures:

- Procedures and work processes are linked to assigned responsibilities (see system of accounting and internal controls).
- The person who approves a new partner or project is not responsible for implementation and monitoring.
- Standard job descriptions are used.
- Procurement procedures: partners should submit three proposals for contractors to Free a Girl, and should explain why a particular contractor has been selected.

Financial Management

Procedures have been established that allow Free a Girl to monitor whether contributions are used effectively or for the intended purpose. The following elements ensure transparency and accountability at Free a Girl:

- Budgets, including spending targets.
- Recording transactions in a financial overview.
- Mid-term and annual reporting (financial and substantive).
- Auditors have free access to all necessary documents.
- External financial audits.
- Evaluations.

Result Management

In order to avoid situations in which money is not spent on the project objectives, partners must ask for Free a Girl's permission when they wish to deviate substantially from the approved proposal, including the budget. Spending deviations in excess of 10% compared to the approved budget must also be explained in the reporting. Free a Girl monitors whether the financial planning is followed, and all financial reports must use the approved budget format.

Personnel Policy

Two elements play an important role in relation to the link between HR and corruption: the selection of personnel and training. When selecting all permanent staff, Free a Girl must receive a positive certificate of moral conduct (i.e. an 'Verklaring van Goedgedrag' for Dutch staff or an equivalent certificate for foreign staff. Staff also need to sign the Declaration of Criminal Record. During the

selection process and the training period, new staff are familiarized with the mission and vision of Free a Girl and trained in the organization's working methods, during which the procedures and guidelines relating to financial management (and in relation to corruption) are also discussed.

2. Active detection of corruption

Free a Girl has developed the following procedures for detecting corruption:

- Annual, half-yearly and quarterly reports by partners and regular updates from consultants and assessment based on the formats developed by Free a Girl (narrative, financial and audit).
- External financial audits are requested (this must be consistent with the above-mentioned guidelines for audits and requires qualified auditors).
- Evaluations.
- Annual visits to partner organizations and projects.

3. Dealing with whistleblowers

All staff members should be encouraged to become whistleblowers if they suspect corruption. The internal reporting of (suspected) corruption is seen as a way to improve the functioning of Free a Girl, and it contributes to transparency and accountability. It is therefore important to protect staff and volunteers who act as whistleblowers. Reporting corruption should never have negative consequences for the employee or volunteer involved. As potentially corrupt staff can put pressure on whistleblowers, it is also possible to report (suspected) corruption anonymously to the integrity advisor at integrity@freeagirl.nl.

For a detailed explanation of Free a Girl's procedure on making reports and protecting whistleblowers, see the Whistleblowing Policy.

4. Action in response to suspected corruption

If there is (suspected) corruption, action is taken immediately.

Action in the case of suspected corruption by partners

Free a Girl staff or volunteers (often in the program department) who are confronted with (suspected) corruption should report this immediately to the management or (anonymously) to the integrity advisor. Payments to the partner organization are immediately suspended. The partner organization is contacted in writing by the Executive Director and informed that all payments have been put on hold, and the reason for doing this is explained in detail.

- The partner is asked to give a detailed account of the situation before resumption of payments can be considered.
- The integrity advisor and the director investigate the case and deliver a report with recommendations to the Supervisory Board. The Supervisory Board decides whether the partnership can be continued.

Action in the case of suspected corruption by employees or consultants

Free a Girl employees or volunteers who are confronted with (suspected) corruption by an employee should immediately report the case to the management. The management reports the case directly to the Supervisory Board, and an investigation is launched. If the suspected fraud involves the management, the employee can contact the Supervisory Board directly.

5. Sanctions following corruption

Sanctions are imposed for two reasons:

- 1) To force compliance with contracts.
- 2) To minimize the adverse effects of contractual non-compliance on the target group. In addition, Free a Girl always takes the interests of the children into consideration when weighing up sanctions.

Free a Girl mainly focuses on preventive measures, which is why it is important for both parties to agree to the contract and adhere to it strictly. Every action that is not in line with the contract conditions must be addressed.

Corruption by a partner/supplier

After an investigation, further consultations are held between the project department and the management. Based on these, the decision is made whether to terminate the relationship or – following corrective measures – to continue the relationship.

Conditions for continuing the partnership can be as follows:

- the extent of the damage has been established by Free a Girl or a third party, and action has been taken by the partner on this basis;
- the partner has made a report to the police;
- the partner has taken evident steps to improve internal organization/controls;
- the parties involved in the fraud have been suspended or dismissed.

If the contract is terminated because the partner has failed to take any measures or has not taken sufficient measures, the 'naming and shaming' method can be used, in order to prevent corrupt activities in the future. For example, Free a Girl can put a report in the local newspaper. Free a Girl will demand compensation for loss or damage by taking legal action.

Corruption by a Free a Girl employee

In the case of corruption by a Free a Girl employee, the management will decide on the next steps in consultation with the Supervisory Board and the integrity advisor. If the corruption involves the management, the Supervisory Board will decide on the next steps in consultation with the integrity advisor. The failure to comply with previous agreements is recorded in writing. The need to take disciplinary action is dependent on the nature of the offense, and consists of a written warning or dismissal with legal action. The management is responsible for the final decision.

Corruption by a Free a Girl consultant

Free a Girl will cancel payments and terminate the contract. A note will also be made in the consultant's file, so that he or she cannot receive any new work from Free a Girl in future.