

# E. Mismanagement, Fraud and Corruption Policy

Datum: 14 februari 2020

Eigenaar: Kwaliteitsmanager

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## Introduction

Both ENDS supports organisations in developing countries to fight poverty and to work towards sustainable environmental management. Both ENDS needs to ensure that our support reaches them in the most efficient, effective and transparent manner possible. There is no room for mismanagement, fraud or corruption, which divert support and resources elsewhere.

The goal of this Mismanagement, Fraud and Corruption Policy is to prevent -or lay out how to respond to- cases of mismanagement, fraud and corruption in Both ENDS supported programmes and projects, as well as in contracts and Memorandums of Understanding (MoUs) at the national, regional and international levels. Copies of these policies can be requested at [info@bothends.org](mailto:info@bothends.org).

## Grants

Both ENDS works with projects and programs which allocate specific funds for its Southern Partners. Together with Both ENDS each partner develops a project plan within the objectives and framework of the project or program for a specific period and including a detailed budget. On the basis of this plan and budget a MoU or contract will be signed between Both ENDS and the partner.

Details as to how Both ENDS develops and maintains the partnerships with Southern NGOs please consult the Both ENDS Partner Policy.

In case of financial support Both ENDS formalises the support with a signed MoU including a work plan, a timeframe and a budget (following the Both ENDS MoU format). Financial means are provided in two or more instalments depending on the total amount and prior knowledge of the organisation. The grants are only provided after a formal contract has been signed, and under conditions of proper reporting (content and financial).

This implies that a signed contract is not a guarantee for the automatic payment of the next instalments. The organisation has to present proper interim reports which indicate that the activities are implemented, funds are used properly and that the next instalment is justified. Dates for reporting are stated in the MoU. The project leader monitors if the content and financial reports reflect the agreements and commitments agreed upon in the joint work plan.

## Screening

Both ENDS provides financial resources to organisations that can be divided in different amounts:

1. Under € 10.000. The recipient organisation can be an established contact of Both ENDS, but also a newly identified partner organisation. These organisations will be registered in and hence monitored through the Database. Before signing a MoU with a new partner, will

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be registered in and hence monitored through the Database. With any new MoU, the Both ENDS' Database will be checked to assess the partners' track record.

2. € 10.000 or more. The recipient organisations in most cases already maintain a working relation with Both ENDS, Both ENDS' partners or networks. The majority also maintain a working relationship with other established international donors. The quality of the organisations that receive these amounts of money is therefore monitored through a system of social control by interdependent network relationships. Before signing a MoU with a new partner, will be registered in and hence monitored through the Database. With any new MoU, the Both ENDS' Database will be checked to assess the partners' track record.

3. €50.000 or more. The recipient organisation is screened in several ways. At first signing the grantee has to include 2 references from external organisations in the Database entry, before signing a MoU. Both ENDS will also require an annual auditing of the project's final financial report by an independent, certified auditor. The auditor will carry out the audit in accordance with the [audit protocol](#).

4. €100.000 or more. The recipient organisation has to include 2 references from external organisations and Financial Year Reports of the two previous years on the track record sheet. The grantee also has to provide an Organizational Audit by an independent, certified auditor. Both ENDS also requires an annual auditing of the final financial project report by an independent, certified auditor. The auditor will carry out an audit in accordance with the [audit protocol](#).

### Mismanagement policy

When a partner does not comply with the agreements in the MoU, it is considered to be a case of mismanagement. In these cases the following sanctions will be used:

- When the activities are not implemented sufficiently the next instalment(s) will not be transferred. Both ENDS will investigate if and how Both ENDS can support the organisation in any way to implement the activities more completely. In case major changes took place in the implementation, without prior information or agreement of Both ENDS, no more funds will be transferred and if necessary the amount already transferred will be recovered.
- When the activities are only partly implemented and the budget is not fully used, after the first agreed report, the budget will be adapted in agreement with the partner according to the expected expenses for the remaining period of the agreement.
- If problems occur in the performance of an organisation, the project coordinator will discuss this firstly within the project team, and then with the Both ENDS' Partner process group to identify the next steps. The Database entry of the partner will be updated.
- Should there be severe case of mismanagement in which Both ENDS is not able to establish correct use of the project funds at a distance, independent evaluators will

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be asked to assess the situation locally and report back to Both ENDS. If these investigations conclude that fraud or corruption are suspected to have occurred, the project coordinator together with the Partner Process Group will ask the Integrity Committee to initiate the Fraud and Corruption Policy.

### Fraud and Corruption Policy

#### *Definition of fraud and corruption*

Fraud and corruption include, but are not limited to:

- Bribery, i.e. improperly influencing the actions of another party by offering them money, goods or services, or having one's own judgement and action influenced by accepting money, goods or services.
- Blackmail and extortion, i.e. impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
- Fraud, i.e. any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- Tax evasion, i.e. facilitating tax evasion with funds, goods and services provided and acquired through the programs of Both ENDS.
- Deception, i.e. embezzling money or goods by forging or omitting facts from financial reports, activity reports or other documents that account for the use of money and goods.
- Unethical investments, i.e. investing funds provided by and acquired through the programs of Both ENDS in businesses or activities that conflict with the goals, interests or public image of Both ENDS or partner organisations of Both ENDS.
- Collusion, i.e. working together with another party to improperly influence the actions of Both ENDS or others, or to achieve an improper purpose.

#### *Reporting (assumptions of) fraud and corruption*

Both ENDS commits to protecting individuals who wish to report fraud and corruption perpetrated by staff members or partner organisations of Both ENDS. Individuals who wish to do so can file an official complaint by letter:

Both ENDS  
Nieuwe Keizersgracht 45  
1018 VC Amsterdam

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or e-mail: [complaints@bothends.org](mailto:complaints@bothends.org)

Individuals wishing to file a complaint anonymously can do so by contacting whistleblowing organisation SeeHearSpeakup:

You can call SeeHearSpeakUp call handlers on an international line: 0044 1224 379303 (local telephone fees apply). The confidential reporting hotline is operated 365 days a year, 24 hours a day. All call handlers are professionally trained and qualified to ensure that you are dealt with in a professional and confidential manner.

You can report online via the website at [www.seehearspeakup.co.uk/en/file-a-report](http://www.seehearspeakup.co.uk/en/file-a-report). You will need your username and password to login. The details are as follows:

USERNAME – Bothends  
PASSWORD – Both745

Alternatively you can email your concerns to SeeHearSpeakUp at [report@seehearspeakup.co.uk](mailto:report@seehearspeakup.co.uk). When emailing please state the organisation you work for in the subject header.

Both ENDS staff members that are confronted with a presumed case of fraud have to report this directly to the Both ENDS staff person responsible for the MoU and the Integrity Committee. The Integrity Committee will then notify the director.

### *Procedure in case of presumed fraud or corruption*

If forms of fraud or corruption are suspected to have occurred, all payments to the partner organisation will be momentarily frozen pending the outcomes of an investigation into the presumed fraud or corruption. If fraud or corruption is confirmed Both ENDS can apply a measure of sanctions and, in severe cases, can end the partnership and blacklist the organisation.

Both ENDS will follow the [External Complaints Procedure](#) in order to investigate the presumed fraud or corruption. Fraud or corruption needs to be verified with evidence through direct contact with the partner organisation, with the whistle-blower or other contact person who reported the problem and through other possible means, for example information from other current donors to the partner, local network of partner organizations which might have additional information.

### *If fraud or corruption is not confirmed*

Measures will be taken to clarify what lead to the assumption of fraud. After advice from the relevant Both ENDS content staff member and The Integrity Committee, the director decides if the relation (after the agreed measures for improvement) will be continued.

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If the assumption of fraud turns out to be based on demonstratively false accusations made to harm or impair the accused party, then action will be taken against the complainant who is responsible for the false accusations.

### *If fraud or corruption is confirmed*

If a case of fraud or corruption is confirmed, Both ENDS may decide to apply different sanctions depending on the severity of the case:

1. The partnership with the offending organisation will be terminated. Payments made to the partner organisation that can be recovered will be reclaimed by Both ENDS. Until the partner organisation shows significant improvement and there is good reason to believe cases of fraud or corruption will not reoccur, Both ENDS will not enter into a new partnership with the partner organisation.
2. If the case of fraud or corruption is severe and the offending organisation refuses to cooperate, legal action will be taken against the organisation to reclaim payments made by Both ENDS and to do justice to those parties harmed by the offending actions.
3. If the case of fraud or corruption is so severe that no future partnership is deemed possible, Both ENDS will blacklist the offending organisation. The blacklisting will be made publicly available through Both ENDS' resources and will be communicated to the Dutch Ministry of Foreign Affairs and to Both ENDS' network of civil society organisations and other partners.