

## CBM India Trust

# Prevention of Fraud and Corruption

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## 1 Introduction and Purpose

CBM India Trust has a zero tolerance policy on corruption and fraud. This is based on our core values: inclusion, integrity, compassion, innovation and collaboration .

The purpose of the policy is to make the standards clear to all staff. The policy applies to all employees, volunteers, consultants and associates who must read, understand, sign and follow this policy. The policy is a part of work, service or project contracts.

Any case of breach of policy must be reported to CBM India Trust and will be investigated and appropriate action taken.

## 2 Prohibited actions and definitions

Corruption is abusing power or position for personal gain and includes different fraud, bribery, embezzlement, facilitation payment, money laundering, nepotism, collusion and conflict of interest below which are prohibited

### 2.1 Fraud

Fraud is getting a benefit or advantage by cheating. Possible examples might be forging or altering a cheque or invoice; giving false expense statements

## 2.2 Bribery

Giving or receiving money, gifts, hospitality, benefits or holidays to get a decision favoring a particular person or entity, for example, in awarding contracts/ purchases/ partnerships

Some minor gifts or hospitality may be given as a courtesy without expecting anything in return; sometimes it may be rude to refuse a small gift. Staff should give these to HR or Admin. The gifts will be accumulated and distributed fairly once or twice a year.

## 2.3 Embezzlement

‘Embezzlement’ is taking money, assets or property of the organization illegally.

## 2.4 Facilitation payment

Payment to a public or government official made to get a service done or to get something done quickly.

## 2.5 Money-Laundering

‘Money-laundering’ is the process of turning the proceeds of crime into assets or money that can be used legitimately.

## 2.6 Conflicts of Interest and Nepotism

Conflict of interest arises when decisions are made because of personal interest of the individual in contracts, and other activities. Nepotism is the appointment of close relatives. Employees must inform the organization if they have a personal connection or interest in a vendor or partner or potential employee. They should not be involved in the selection process. The management should ensure the selection process is neutral and fair. Employees should not sign contracts with private entities or non-profit entities in which they have an interest.

## 2.7 Collusion

Cooperating with others to do or allow corruption.

## 3 The Policy

CBM prohibits corruption and fraud including bribery, embezzlement, collusion, nepotism, facilitation payments, money laundering etc.

CBM India Trust encourages reporting of corruption or misconduct without fear of reprisals if made in good faith. All reported incidents of suspected and actual corruption will be taken up by the senior leadership or the board of trustees as required.

The Management is responsible for preventing fraud and corruption. There must be internal controls, approvals and decisions on purchases/ vendors must be properly documented. Proper accounting and finance systems for receiving and spending funds together with audit trails must be set in place and feedback, grievances and complaint must be dealt with according to the relevant policies. Management will ensure employees, board members, partners and other third parties that engage with CBM are made aware of the Policy on Preventing Corruption and Fraud. Regular refresher trainings must be conducted.

#### 4 Reporting and Investigation

Any staff member, associate, volunteer can report to their line manager, senior leadership or through the feedback systems or whistleblower system. All suspicions of fraud or corruption received at any level must be immediately reported to the executive management. The CFO, Director people and culture, and executive director will be responsible for investigating. Organizations with whom CBM India Trust works must report any suspected or confirmed fraudulent or corrupt acts immediately (as required in the partner contracts and have their own control procedures and policies in place .

All cases of corruption and fraud will be entered into a confidential register. The executive director will set up an investigating team. Investigation will be done taking support of appropriate external experts/ advisors as needed. The investigation must follow the principles of confidentiality, natural justice and legality.

#### 5 Action on fraud and corruption

If corruption is confirmed through investigation, CBM India Trust will take disciplinary action up to and including the possibility of termination of employment or termination of the violating party's contract and/or business relationship with CBM. CBM reserves the right to take such additional action, civil and/or criminal, as needed.

#### 6 Responsibilities

The Executive Management has the responsibility and authority to take actions as necessary to ensure the effective implementation of this policy. Executive management will report to the board at its meetings compliance and any breaches of policy.

#### 7 Roles and Responsibilities

Role	Responsibility
Board of Trustees represented by managing trustee	<ul style="list-style-type: none"> <li>Review of the policy</li> <li>Review of all feedback</li> </ul>
Executive Director and Senior Leadership	<ul style="list-style-type: none"> <li>Reviewing and recommending policy revisions to the Board of Trustees</li> <li>Investigating complaints</li> <li>Action on investigation results</li> </ul>
Policy Owner: Director People and Culture /CFO	<ul style="list-style-type: none"> <li>Developing and maintaining the Policy</li> <li>Records of issues</li> <li>Referring concerns raised to the Executive Director</li> </ul>

#### 8 Policy Development and Revisions

Date	Adoption/change	Whom
6 <sup>th</sup> April 2024	Approved	Board