



Anti-Fraud and Corruption Policy

Policy Area: Fraud and Corruption

Policy Ref: CFI-AFCP

Title of Policy: Anti-Fraud and Corruption Policy

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Approved By: Patrice Davison - Executive Director

Policy Rationale: At Children's Future International (CFI) we take a zero-tolerance approach to fraud, bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships and in the promotion of our vision, mission and values. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for serious misconduct. Any contractor who breaches this policy (or we have reasonable suspicion to believe this is the case) may have their contract terminated with immediate effect. This policy does not form part of any employee's contract of employment and we may amend it at any time.

Policy Statement: At CFI we conduct all our work in an honest and ethical manner.

Contents

អត្ថបទ ១៖ និយមន័យ	2
Article I: DEFINITIONS	2
អត្ថបទ ២៖ នីតិវិធី	3
Article II: PROCEDURES	3
អត្ថបទ ៣៖ ទំនួលខុសត្រូវរបស់អ្នក	4
Article III: YOUR RESPONSIBILITIES	4
អត្ថបទ ៤៖ ការការពារ	5
Article IV: PROTECTION	5

Article I: DEFINITIONS

1.1 Agent: who must comply with this policy

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers,

interns, agents, contractors, external consultants, third-party representatives and business partners.

1.2 Bribery or corruption

Bribery occurs when one person offers, pays, seeks or accepts a payment, gift, favor, or a financial or other advantage from another to influence a business outcome improperly, to induce or reward improper conduct or to gain any commercial, contractual, regulatory or personal advantage. It can be direct or indirect through Third Parties.

1.3 Facilitation Payments

A form of Bribery in which small payments are made with the purpose of expediting or facilitating the performance by a Public Official of a routine governmental action and not to obtain or retain business or any other undue advantage. Facilitation payments are typically demanded by low level and low income Public Officials in exchange for providing services to which one is legally entitled without such payments.

1.4 Fraud

This relates to wrongful or criminal deception intended to result in financial or personal gain.

1.5 Gifts, Invitations & Hospitality

Invitations given or received to social functions, sporting events, meals and entertainment, gifts or customary tokens of appreciation.

1.6 Conflict of Interest

Any director, principal officer, or member of a committee with governing board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

A person has a financial interest if the person has, directly or indirectly, thorough business, investment, or family:

(a) An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,

(b) A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or

(c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article II, Section 2.2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

This may include the financial interests of direct and extended familial relationships.

1.7 Work outside of CFI

Any work that is not part of an employees workload at CFI must be done outside of CFI working hours, unless approved by their manager and Executive Director. Approval must be written and a clear description of the time allowed is to be agreed upon by both parties. **Any work done outside of work time should not compete with CFI's work/mission.** If an employee accepts work that is similar to CFI's mission/work, the employee should seek approval from the Executive Director first. For example, if a teacher sets up a class for students to receive supplemental support similar to CFI from 6-7 and charges 5 dollars per class, this would violate the policy. If one of the teachers is tutoring a friend's son for 5 dollars per class a couple times per week, this would not be a violation of the policy.

Any employee accepting a major contractual position or receiving payment for work related to CFI, but approved by the Executive Director, must 1) first agree with CFI upon credit for the work (ex: if CFI must be credited vs. credit of the employee as an individual), 2) agree upon fair compensation for the work (ex: share profit with CFI to compensate staff time, contribute to training costs CFI invested in the employee, etc), 3) receive prior approval for the work, time, and compensation agreement (written).

Article II: PROCEDURES

2.1 Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement. Any staff aware of potential fraud or corruption have the duty to disclose this as soon as possible.

2.2 Record keeping

You must declare and keep a written record of all hospitality or gifts given or received. You must also submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our expenses policy and record the reason for expenditure.

All accounts, invoices, and other records relating to dealings with third parties including suppliers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

2.3 How to raise a concern

If you are offered a bribe, or are asked to make one, or if you suspect that any bribery, corruption or other breach of this policy has occurred or may occur, you must notify your manager, the Executive Director, Technical Director, or Managing Director as soon as possible. If there is suspected corruption or bribery at the Director/management level, you may notify the President of the Board of Directors (see Whistleblowing Policy).

2.4 Whistleblowing

If you suspect another person a CFI agent may be acting against this policy, you have a responsibility to report this following the Whistleblower policy. Reports will be investigated, but you are not entitled to know the outcome in order to respect the individual's privacy. However, your involvement will remain confidential to the executive team and you are protected from retaliation as outlined in the Whistleblowing policy.

2.5 Conflict of Interest Procedures

A. Board of Trustees:

- After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

B. CFI staff members

- After disclosure of financial interest to the procurement committee (if applicable), Finance Officer, and Director's Team, the staff member will recuse themselves from the procurement process and cease any further involvement (including, but not limited to, the purchase request and other finance paperwork).
- The procurement team and/or Finance Officer, and Executive Director will evaluate the Conflict of Interest to determine whether it exists. In cases where a conflict of interest may exist, an exception may be made by the Executive Director as long as the procured good or service is at market price and there is no other reasonable vendor for the purchase. If at all possible, exceptions will be avoided and other vendors should be sought.

Article III: YOUR RESPONSIBILITIES

3.1 It is not acceptable for you (or someone on your behalf) to:

- a. receive, or to reward a business advantage already given;
- b. give, promise to give, or offer, a payment, gift or hospitality to a Public Official or Third Party to 'facilitate' or expedite a routine procedure;
- c. accept payment from a Third Party that you know, or suspect, is offered with the expectation that it will obtain a business advantage for them;
- d. accept a gift or hospitality from a Third Party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- e. threaten or retaliate against another Employee who has refused to commit a bribery offense or who has raised concerns under this policy;
- f. fail to disclose an actual or possible conflict of interest or
- g. engage in any activity that might lead to a breach of this policy or perceived breach of this policy.

3.2 It is your responsibility to ensure that all accounts, invoices, memoranda and other documents and records relating to dealings with Third Parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept 'off-book'.

3.3 You must declare and keep a written record of all Gifts, Invitations & Hospitality according to

Company practice accepted or offered, which will be subject to managerial review.

3.4 You must ensure all expense claims relating to Gifts, Invitations & Hospitality or expenses incurred to Third Parties are submitted in accordance with the Company's expenses policy and specifically record the reason for the expenditure.

3.5 The prevention, detection and reporting of any form of Bribery & Corruption are the responsibility of all Employees. You must notify your manager, the Executive Director, Technical Director, or Managing Director as soon as possible if you are offered a bribe, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

3.6 All Employees have a responsibility to read, understand and comply with this policy. You should at all times, avoid any activity that might lead to, or suggest, a breach of this policy.

3.7 Any Employee or Board Member who breaches this policy will face disciplinary action, which could result in dismissal for serious misconduct.

Article IV: PROTECTION

4.1 Employees who refuse to take part in bribery or corruption, or report in good faith under this policy their suspicion that an actual or potential bribery or other corruption offense has taken place or may take place in the future will be protected from detrimental treatment/retaliation. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern.