Integrity and Anti-Corruption Policy

Kindernothilfe e. V.,
Kindernothilfe Foundation
and the Kindernothilfe country co-ordination overseas
Kindernothilfe Guidelines to Prevent and Combat Corruption
(2nd completely revised version)

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The work of Kindernothilfe is based on Christian charity and oriented to international human rights agreements – in particular, to the UN Convention on the Rights of the Child – and it is committed to ensuring that children’s rights become reality throughout the world.

In compliance with the Istanbul CSO Development Effectiveness Principles, Kindernothilfe is committed to working for sustainable transparency, the willingness to assume responsibility for mutual accountability, and for personal and organizational/institutional integrity.

Kindernothilfe is responsible for ensuring that the donations and tax money entrusted to it are used as effectively and efficiently as possible in the projects it either finances or co-finances.

Corruption violates the dignity and rights of the child and hinders social developments. Fraudulent conduct and the misappropriation of project funds deprive projects of the valuable resources they require to carry out their work and, thereby, achieve their respective project goals.

Kindernothilfe maintains a clear, unambiguous position against all forms of corruption (including fraud or the misappropriation of funds). It, thereby, supports its partner organisations endeavours to promote transparency and integrity in their countries and stand up to corruption.

Corruption occurs in a range of diverse manifestations and types. These include:

- bribery and the acceptance of bribes,
- facilitation payments,
- blackmail, fraud and embezzlement,
- nepotism,
- the misappropriation of the material assets of a project for private use, and
- influence for private gain.

For Kindernothilfe, corruption refers to the abuse of power and the misappropriation of funds entrusted to the organisation for private gain or advantage and, thereby, follows the definition of Transparency International. This includes fraud, wilful deception, breach of trust, embezzlement and any other intentional acts perpetrated to the detriment of the organisation and/or project, including the manipulation of project applications, financial and other reports. This also includes the misappropriation of funds, which is always the case when funds are used for purposes other than those authorised.
3 Scope

The Integrity and Anti-Corruption Policy applies, without restriction, to all Kindernothilfe staff, members of the administrative board, the foundation council and advisory boards of the administrative board. Accordingly, this group of individuals is bound by a written declaration to prevent and combat corruption and uphold the principles, codes of conduct and procedures of this Integrity and Anti-Corruption Policy.

For individuals working on a voluntary capacity for Kindernothilfe, for example as a member, or in working groups or as an ambassador, the Integrity and Anti-Corruption Policy acts as guidelines and orientation to enable them to act with integrity.

Kindernothilfe organisations in Luxembourg, Austria and Switzerland have, through a written agreement, made the commitment to prevent and combat corruption and, in compliance with the relevant legal stipulations, to uphold the principles, rules of conduct and procedures of this Integrity and Anti-Corruption Policy.

The same also applies to service providers and consultants working for Kindernothilfe or its county co-ordination offices, especially in project countries.

Within the scope of Kindernothilfe’s programme and project work, partner organisations are contractually committed to comply with its Integrity and Anti-Corruption Policy, to act in accordance with its principles and rules and, after proper consideration of the potential corruption risks, to take appropriate anti-corruption measures to prevent and combat corruption and ensure that whistle-blowers providing information in good faith and neither maliciously nor inappropriately are protected and not subjected to discrimination.

4 Kindernothilfe’s anti-corruption system

For an integrity and anti-corruption system to function properly, it requires measures to prevent corruption and deal with and punish corruption, to provide clarity on how to deal with suspicions and concrete instances of corruption as well as to facilitate effective collaboration between different groups and individuals assuming a variety of roles and functions.

4.1 Preventing corruption

4.1.1 Risk management

By means of a risk management system, Kindernothilfe is able to respond to risks that have been identified and analysed, by taking appropriate measures that seek to avoid, eliminate or minimise risks as effectively as possible. The Integrity and Anti-Corruption Policy constitutes a binding basis for decision-making and, should risk materialise, provides orientation for an appropriate and effective response.

As a consequence of Kindernothilfe’s business model, a large proportion of expenditure is incurred overseas. This means that proper consideration must be given to further potential risks of corruption in the countries concerned, in addition to the risks in head office and country co-ordination offices, where the most common are in the areas of recruitment, selection of partner organisations, procurement of services and awarding of contracts to external service providers, weaknesses in internal monitoring systems or in dealing with large amounts of money, especially, for example, in the transferral of project funds.

International statistics, such as those provided by Transparency International’s Corruption Perceptions Index and the World Risk Index (WRI) of humanitarian relief, are used to assess overseas’ risk. The risk in each specific country is also examined in relation to the overall amount of project funds allocated per country and year. This facilitates a well-founded risk assessment that is tailored to the specific interests of Kindernothilfe. Where required, a local chapter of Transparency International can also be invited to contribute to the risk assessment. The risk assessment provides information on concrete risks of corruption in the project countries and forms the basis for appropriate measures to prevent and combat corruption and protect whistle-blowers in the context of Kindernothilfe’s programme and project work.

A key component of project approval is the standardised assessment of the existing and potential risks of future co-operation with partner organisations. Kindernothilfe’s local country co-ordination office carries out an audit for each (potential) partner organisation. The results are documented and serve as the basis for a decision as to whether co-operation with the partner organisation is to proceed and the imposition of other possible conditions.
4.1.2 Principles and codes of conduct
In accordance with our Christian commitment and identity and the 5th Principle of the Istanbul CSO Development Effectiveness Principles, the following principles and rules of conduct are intended to help us maintain organisational/institutional and personal integrity in the context of preventing and combating corruption.

Right to protection against corruption
The right of all people to be protected against the practices and consequences of corruption is affirmed and respected. This protection is guaranteed regardless of gender, skin colour, religion, culture, level of education, social status and nationality. All Kindernothilfe staff have the right to reject all forms of corruption.

Participation in the investigation of corruption
Whether as witnesses or injured parties, Kindernothilfe staff have both the right and the duty to respond immediately to any form of corruption or any suspicion brought to their attention, and to immediately notify Kindernothilfe. The right to refuse to provide information, in accordance with §55 of the Criminal Procedure Code/StPO, remains unaffected.

Transparency
Across all levels of its operations, Kindernothilfe practices transparency both internally and towards third parties, for example with regard to decision-making processes as well as to planned and actual use of resources, objectives and their realisation. On the one hand, this also includes ensuring that partner organisations inform project target groups about project objectives, budgets and results achieved, and on the other, that Kindernothilfe, partner organisations and projects must provide comprehensive reports on the allocation and use of funds to the respective stakeholders.

Kindernothilfe supports its partner organisations throughout the world to stand up to corruption and promote transparency. Kindernothilfe is publishing guidelines on how to respond to press enquiries relating to preventing and combating corruption and will report on corruption cases — in an appropriate manner and in compliance with the protection of personal rights — and on measures to prevent and combat corruption.

Together with its partner organisations, Kindernothilfe seeks to be a vital role model in this respect.

Loyalty
Kindernothilfe’s staff and the freelance staff it commissions are loyal to the organisation “Kindernothilfe” in the first instance as their employer and in the latter as their contract provider as well as to the values, concerns and interests of Kindernothilfe set out in its statutes, mission statement, child protection policy and this Integrity and Anti-Corruption Policy. In the event of suspicions or rumours concerning Kindernothilfe staff, these members of staff can expect Kindernothilfe to carry out a careful investigation, analysis and evaluation of these suspicions and rumours for the protection of its staff. The same protection also applies to freelancers commissioned by Kindernothilfe.

Confidentiality
Kindernothilfe’s data protection policy takes account of the Evangelical Church in Germany’s relevant church law on data protection, the European Union General Data Protection Regulation and the Telemedia Act. It handles sensitive data and information entrusted to it with confidentiality. The protection of personal data is guaranteed.

Participation
In conjunction with transparency and accountability, the participation of stakeholders and/or target groups has a primarily preventive effect. This also applies to the prevention of corruption:

Kindernothilfe is committed to working in accordance with the child rights approach: “Children are independent personalities and bearers of human rights. The realisation of their rights to protection, provision, and participation, enshrined in the CRC, is the aim of Kindernothilfe’s work. Therefore, children participate actively in the planning, implementation and evaluation of child-related activities and projects in order to demand their rights.” The age-appropriate participation of children and young people in programmes and projects is to be ensured just as much as the participation of the respective target groups of programmes and projects.

Within the framework of their particular responsibilities and tasks, Kindernothilfe staff, in line with the organisation’s leadership and management principles, are appropriately involved in decision-making processes.

5 “Practice transparency and accountability: CSOs are effective as development actors when they demonstrate a sustained organizational commitment to transparency, mutual accountability, and integrity in their internal operations.”
Integrity and Anti-Corruption Policy

Kindernothilfe's anti-corruption system

Integrity of staff

Kindernothilfe staff and the service providers they commission can be said to behave with integrity when they respect human rights and the Convention on the Rights of the Child, comply with the laws, internal rules and voluntary commitments of Kindernothilfe, work to prevent and combat corruption, report any suspicions of corruption without delay, do what they can to deal with any concrete cases, uphold the values of Kindernothilfe, including honesty, solidarity, partnership, reliability and Christian charity in an atmosphere of respectful co-operation and in dealings with others.

Kindernothilfe staff and the service providers they commission are obliged to act with integrity when working for Kindernothilfe in Germany or overseas. Each form of corruption is prohibited. Any conflict of interest is to be avoided as follows:

A. The payment of bribes is prohibited (also on business trips), even when it has the aim of securing or speeding up official approval, to which one is actually entitled. Where a threat to life and limb make such payments unavoidable or where Kindernothilfe staff or the service providers they commission are compelled to make such payments (e.g. at border crossings), these individuals must notify their superiors and service providers must inform Kindernothilfe immediately or, at the very latest, on their return to Germany.

B. Accepting gifts from business partners, partner organisations, project staff and target groups is prohibited unless the gift concerned is of negligible value or is an appropriate token offered as a gesture of local hospitality, and with no discernible intention to gain any personal advantage or create a relationship based on dependency and obligation. Anything beyond this, including gifts of a higher value, must either be declined, with reference to Kindernothilfe’s guidelines or, if this is not possible, e.g. for reasons of protocol or political and/or cultural sensibilities, passed on without delay to Kindernothilfe (executive board secretariat) for further disposal. For their part, Kindernothilfe staff and the service providers it commissions are permitted to make gifts within the bounds of etiquette and grant personal advantages only insofar as this does not give rise to any suggestion of dishonesty, incorrect behaviour or a relationship based on dependency and obligation. Gifts given or received that are worth more than 40 euros must be documented and the member of staff’s immediate superior or Kindernothilfe notified without delay.

Accountability

Accountability for the work and impacts of the partner organisations and projects supported by Kindernothilfe is delivered in a truthful, transparent, understandable and credible manner. All annual financial statements of partners and projects are examined by local auditors and awarded a certificate accordingly. These annual statements and other financial reports are evaluated and compared with the previously approved annual budgets. Where the annual financial statements and reports show evidence of serious deficiencies or non-admissible budget deviations are identified, project funds will only be transferred after these deficiencies have been rectified.

In accordance with the German Commercial Code, Kindernothilfe prepares an annual financial statement that fulfils the criteria of a medium-sized corporation. Alongside the balance sheet, profit and loss account and notes, Kindernothilfe also publishes a management report. The annual financial statement and management report are examined by an independent auditor. The annual audit also includes the audit carried out in accordance with §53 of the German Budgetary Principles Act (HGrG).

In its annual report, Kindernothilfe publishes the financial report – audited by an independent external auditor – including a comprehensive, detailed overview of income and expenditure as well as presenting a breakdown of how project funds are used. In addition to its annual report, Kindernothilfe also publishes the notes and management report on its website.

Kindernothilfe also voluntarily submits itself to the yearly assessment of the German Central Institute for Social Issues (DZI) as confirmation of its economically responsible and statutory use of donations.

Respect and compliance with laws

In carrying out its working commitments, Kindernothilfe must always act in compliance with the relevant civil, labour, criminal and tax laws/regulations etc. This applies in equal measure to the relevant statutes as well as to the internal rules and regulations.

Criminally relevant corruption offences in Germany must be reported and, if proven, have legal consequences as stipulated by the relevant labour legislation. Accordingly, corruption offences in Germany are punishable under German criminal law (StGB). The legal prosecution and punishment of corruption in other countries depends on the specific civil and criminal laws in the country concerned.
C. Offering or accepting hospitality in the form or food, drink or entertainment or the reimbursement of expenses is prohibited insofar as this could influence the progress of ongoing projects, the completion of business deals or the award of project funding and exceed reasonable and appropriate expenses in the country concerned.

D. Clear and transparent procedures are used in the selection and appointment of Kindernothilfe staff. And, in accordance with the Employees Representation Act, the staff representative body is involved in the appointment process. Preselection is documented in application summaries. Interviews are conducted on the basis of structured interview guidelines. The submission of a comprehensive police criminal record certificate, in accordance with §30a section 1 of the Federal Central Criminal Register Act, is obligatory for all staff in Germany and is part of the implementation of Kindernothilfe’s child protection policy. All decisions are clearly documented. In the event of a conflict of interest in the recruitment of close family members either of committee members or staff of Kindernothilfe, the individuals concerned must, in advance, inform the Kindernothilfe member of staff responsible for selection and appointment. The same also applies to the appointment of family members, relatives and friends of Kindernothilfe committee members and staff.

4.1.3 Organisational measures and procedures to prevent corruption

4.1.3.1 Head office
Head office has a clear organisational structure with well-defined, distinct, transparent and coherent areas of responsibility and competence as well as a tailor-made internal monitoring system with effective procedures and mechanisms to identify, monitor and report relevant risks.

Organisational regulations define the areas of competence of, and the procedures to be used by, staff, e.g. during the selection and recruitment of personnel, the procurement of services and goods (procurement directive), the approval of project applications and the allocation of funding to material costs budgets. The double verification principle is employed throughout.

On the basis of an audit plan approved by the executive board, external auditors examine the correctness, cost-effectiveness and fitness for purpose of business transactions in the various departments in head office.

Kindernothilfe staff are informed about potential corruption risks and the measures to prevent and combat corruption and, within the scope of their particular working area, trained to enable them to address corruption risks and initiate measures to prevent and combat corruption.

In taking account of potential risks and the likelihood of their occurrence, Kindernothilfe continues to develop and implement a modular compliance management system to reduce any relevant intangible and tangible risks that may result from violations of rules and guidelines, non-compliance with voluntary commitments and ethically and morally questionable behaviour. Through the application of appropriate measures, the Compliance Management System should, on the one hand, ensure compliance with rules, guidelines and voluntary commitments as well as identify any ethically and morally questionable behaviour of Kindernothilfe as an organisation, its boards, committees and staff and, on the other, prevent and detect material violations.

4.1.3.2 The role of the administrative board and executive board
The functions, roles and tasks of the administrative board and executive board are defined by the statutes of Kindernothilfe. Kindernothilfe’s Diaconic Corporate Governance Code lays down binding rules of conduct for these two boards, concretising and/or supplementing the statutory provisions. The Code, thereby, obliges the administrative board and executive board and the members of these boards to:

- create an environment that effectively prevents, combats and deals with the abuse of entrusted power;
- develop preventive standards and codes of conduct and to work towards ensuring that partner organisations also have recourse to corresponding regulations;
- always act in the best interests of Kindernothilfe, disclose any conflicts of interest and inform the administrative board.

In this context, it is the responsibility of the administrative board and executive board as well as the members of these boards to:

- set a good example in complying with the values, principles and rules of conduct of Kindernothilfe;
- preserve and reinforce the personal integrity of all staff as well as the institutional integrity of Kindernothilfe;
- create an organisational culture, in which all members of staff are responsible for ensuring that they act with integrity;
give the staff of Kindernothilfe and third parties, particularly those working for partner organisations and in projects, the opportunity to use safe, alternative channels to report any instances or suspicions of corruption, fraud or misappropriation of funds in addition to existing, internal reporting channels.

Reporting to the administrative board and general assembly:
- The executive board reports any concrete cases or suspicions of corruption to the administrative board in a manner that is appropriate and with respect for personal rights;
- The administrative board and executive board report any instances of corruption to the general assembly in a manner that is appropriate and with respect for personal rights.

4.1.3.3 Project support
Kindernothilfe’s project support, spanning the entire project cycle from the initial application to the final project report, encompasses a range of measures aimed directly and indirectly at preventing and combating corruption. Above all, these include:

- the preliminary examination of new (potential) partner organisations by Kindernothilfe staff;
- the contractual obligation of partner organisations to comply with binding financial guidelines (budgeting, on the one hand, and preparing the annual financial statement, on the other);
- the contractual obligation of partner organisations to comply with the principles set out in the Integrity and Anti-Corruption Policy and implement appropriate anti-corruption measures;
- guidelines for the preparation of financial plans and annual budgets as well as annual financial statements of partner organisations and projects;
- Kindernothilfe staff carrying out corruption risk analyses of selected partner organisations and projects;
- continuous adherence to the double/multi-verification principle when approving project applications, budgets and in the receipt and acceptance of financial reports from partner organisations and projects.

4.1.3.4 Anti-corruption team
Kindernothilfe’s two-person anti-corruption team, set up by the executive board, deals with all concrete cases and suspicions of corruption, fraud and misappropriation of funds either reported internally or externally to, or identified, by Kindernothilfe staff. The team is in regular contact with the external anti-corruption ombuds office.

The primary tasks of the anti-corruption team are to:

- act as point of contact for questions relating to preventing and combating corruption;
- define standards both for the recording of all concrete cases and suspicions of corruption as well as for their documentation and archiving;
- deploy the case management team to investigate and examine concrete cases and suspicions of corruption;
- co-ordinate and, where required, offer concrete support to the case management team in investigating and examining suspected corruption;
- involve and inform the external ombuds office;
- submit confidential reports (while protecting personal rights) on concrete cases and relevant suspicions of corruption to the executive board;
- inform Kindernothilfe and its country co-ordination offices of current, relevant developments in preventing and combating corruption;
- organise regular sharing of experience on particular issues as well as lessons learnt from case evaluations and identified as having relevance for future cases;
- contribute to the ongoing development of the Integrity and Anti-Corruption Policy;
- organise introductory sessions for new members of staff;
- contribute to capacity development trainings as part of staff development.

The anti-corruption team has the following e-mail address: anti-corruption.team@knh.de
This and other information is available on the Kindernothilfe website.

4.2 Dealing with concrete cases and suspicions of corruption

4.2.1 Whistle-blowing and informants
Kindernothilfe regards whistle-blowing as the disclosure of risks and illegal or illegitimate activities and circumstances by whistle-blowers (i.e. informants), with the aim of effecting positive change.

Since whistle-blowing is able to expose wrongdoing among partners or within country coordination offices, projects or Kindernothilfe’s head office, whistle-blowing systems are contributing to Kindernothilfe’s commitment to work effectively on behalf of the rights of the child.
Kindernothilfe does not regard whistle-blowing in any way as a form of slander or denunciation. The whistle-blower receives as much protection as Kindernothilfe is able to provide. The aim is to disclose, raise awareness for and combat wrongdoing for the benefit of the organisations concerned and their stakeholders. In doing so, we assume that informants are acting in good faith and neither maliciously nor inappropriately. Kindernothilfe will not tolerate any intentional dissemination of misleading information, slander, fabricated suspicions and insults by a whistle-blower, will investigate it and, within its means, impose sanctions.

Protecting whistle-blowers is one of our concerns: we do what we can to preserve and guarantee the anonymity of whistle-blowers within the scope of case management. We are committed to ensuring that Kindernothilfe staff providing evidence in good faith and neither maliciously nor inappropriately, are not in any way disadvantaged. The system for reporting, initi-ating legal proceedings and prosecuting or investigating any suspicions as well as the respective roles and responsibilities of those involved in our integrity and anti-corruption system deals appropriately and effectively with this issue.

Similarly, we respect the principle of the presumption of innocence: on the one hand, suspected/accused individuals have the right to effective legal assistance and, where required, to a fair trial and representation by a defence lawyer; on the other hand, any individual wrongly accused must be protected and his or her rights preserved. As part of this, Kindernothilfe compensates staff for any unavoidable financial disadvantages (e.g. loss of earnings, travel costs or lawyer’s fees) incurred during the investigation of the case.

4.2.2 “Anti-corruption” Ombuds office

The external anti-corruption office helps protect Kindernothilfe’s stakeholders against abuse of power and corruption. The Ombuds office complies with the standards of the International Ombudsman Association. It is, thereby, committed to the principles of independence, neutrality, impartiality and confidentiality.

The Ombuds office enables whistle-blowers to retain anonymity, thereby making whistle-blowing possible and forming an important basis for the protection of whistle-blowers. At the same time, it must, simultaneously, protect accused individuals from unfounded suspicions.

As an alternative and complement to internal and other reporting channels, the Ombuds office can also be accessed by whistle-blowers for advice in the event of any suspicion.

It has its own e-mail address: ombudsperson.anti-corruption@knh.de, listed, e.g., on the Kindernothilfe website.

The Ombuds office deals with complaints, reports and suggestions of corruption brought to its attention. It can conduct its own investigations. Where another body, either within or outside of Kindernothilfe, has jurisdiction to deal with a particular complaint, the complainant is referred to it by the Ombuds office.

Irrespective of any specific complaint, the Ombuds office can also proactively make recommendations to improve Kindernothilfe’s procedures and structures with regard to preventing and minimising the risk of corruption.

4.2.3 Case management system

Through its Integrity and Anti-Corruption Policy and case management system, Kindernothilfe has an institutional system to deal with and prosecute concrete cases and suspicions of corruption. The aim of the system, in response to such cases, is to enable an effective and speedy investigation of the specific situation, and to identify and prevent corruption at an early stage. All members of the administrative board and foundation council as well as the staff of Kindernothilfe are familiar with the system, thanks to information provided by the executive board when each revised version of the Integrity and Anti-Corruption Policy comes into force. In addition, all partner organisations and projects supported by Kindernothilfe are to be informed of the existence of the system as well as the staff involved and their areas of responsibility within that system, to enable them to report any suspicions. Everyone involved in reporting, investigating and dealing with cases is committed to strict confidentiality and to the appropriate protection of the identity of whistle-blowers and accused individuals and to upholding their rights.

4.2.3.1 Case management team

The case management team is deployed by the anti-corruption team on a case-by-case basis to deal with reported or identified concrete cases or suspicions of corruption. Alongside the nature and gravity of the cases or suspicions of corruption, the team should also take account of the identity of the individual(s) accused:

- Where this concerns staff working for a partner organisation or project, the case management team usually comprises the relevant programme manager, programme co-ordinator and project controller as well as a member of the anti-corruption team. The case management team decides
whether, and in what meaningful way, the country co-ordination office is to be involved in investigating a suspicion of corruption. According to the gravity of the concrete case or suspicion of corruption, the head of the relevant overseas department as well as the head of the controlling and finance department should be involved, and the executive board informed. This is normally the case where systemic corruption is concerned.

- In the event of staff working in a country co-ordination office are concerned, the case management team usually comprises the head of the relevant overseas department, the respective programme manager and project controller as well as a member of the anti-corruption team. Depending on the gravity of the suspicion, the head of the controlling and finance department as well as a member of the executive board should be involved.

- In the case of suspicions concerning Kindernothilfe’s head office staff, the following constellations must be distinguished: A) Where suspicions concern a member of the executive board, the case management team comprises two members of the administrative board and one other member of the executive board. The head of the human resources department and the external Ombuds office are to be consulted. B) Where a department head is involved, the case management team comprises his or her immediate superior, one other executive board member and the head of the human resources department. Where required, the external Ombuds office is to be consulted. C) In all other cases, the case management team comprises the relevant immediate superior, a member of the human resources department and a member of the staff representative body. Depending on the gravity of the case, a member of the executive board or the entire executive board together with the external Ombuds office are to be informed. A fundamental aspect of all constellations is that accused members of staff are to be given the opportunity to seek advice from the Ombuds office.

**Duty to provide information:**

In general, the Kindernothilfe press office must be informed immediately in the event of concrete cases or suspicions of corruption that are either particularly serious or media-relevant. Within the scope of Kindernothilfe’s membership of Transparency International Germany e.V. (TI-Deutschland), where a particularly serious or media-relevant case or suspicion of corruption is concerned, the head office of TI-Deutschland is to be informed.

**Duty to provide full documentation:**

The case management team has the responsibility of documenting the case under investigation in accordance with the standards developed by the anti-corruption team. Information regarding the whistle-blower (if known), the accused, the nature of the suspicion or concrete case of corruption, the measures undertaken, the progress achieved or outcome of the investigation, any sanctions and the lessons learnt are to be documented in a structured form.

### 4.2.3.2 Reporting concrete cases and suspicions of corruption

Reports of a concrete case or suspicion of corruption can reach the Kindernothilfe in a variety of ways. Suspicions can be brought to light, for example:

- as a result of observations by Kindernothilfe staff, e.g. when contracts are awarded, or goods and services procured;
- through whistle-blowers, e.g. (local) consultants, staff working for partner organisations or in projects, external auditors;
- as a result of observations and or discussions during partner/project visits; or
- as a result of information or inconsistencies in project reports and annual financial statements from partners/projects.

Kindernothilfe staff are to pass on the information immediately and, where required, anonymously, either to Kindernothilfe’s anti-corruption team or to the anti-corruption Ombuds office (see 4.1.2).

External whistle-blowers have the opportunity to report concrete cases or suspicions of corruption, also anonymously, if necessary, to staff working in head office, the anti-corruption team (e-mail address: anti-corruption.team@knh.de) or the anti-corruption Ombuds office (ombudsperson.anti-corruption@knh.de).

In the event of concrete cases or suspicions of corruption concerning partner organisations or projects, whistle-blowers generally contact staff working in the relevant overseas department. The member of staff concerned must then immediately inform Kindernothilfe’s anti-corruption team of any concrete cases or suspicions of corruption reported to him/her. It is not the responsibility of the individual member of staff, who has been informed of a concrete case or suspicion of corruption, to judge or decide whether the information provided requires further investigation, partly for his or her own protection.

### 4.2.3.3 Investigating concrete cases or suspicions of corruption

The case management team has overall responsibility from the initial assessment or evaluation, the investigation of concrete cases or suspicions of corruption, all the way to proposing
sanctions in response to identified or substantiated irregularities, with due regard to civil, labour and criminal aspects.

The case management team has the opportunity, at all times, to seek additional (internal/external) support to enable it to carry out its work efficiently and effectively. Specifically, this could include experts such as accountants, lawyers or country co-ordination staff to conduct investigations/examinations, e.g. at the partner/project level, interview the accused, the individual concerned and/or whistle-blower (if not anonymous) and/or support the team with legal advice.

Essentially, the investigation involves the following stages:

Stage 1: Setting up the case management team in accordance with 4.2.3.1 and examining whether stage 6 is to be brought forward, on the grounds of the gravity and/or media impact of the concrete case or suspicion of corruption;

Stage 2: Collecting the facts and carrying out an initial assessment and evaluation of the evidence: is the suspicion reasonable or have irregularities been identified that require further investigation? Should the suspicion be followed up or not? The criteria include:
> credibility of the source of information/the whistle-blower;
> degree of substantiation of the (alleged) irregularity or wrongdoing, i.e. is the suspicion sufficiently well-founded, concrete, conceivable and plausible;
> the extent of the structural or systemic irregularity.

Stage 3: Clarifying how to proceed:
> should (internal/external) support be involved?
> clarifying roles and responsibilities (who does what);
> checking whether measures should and could be initiated to protect whistle-blowers and, if so, which;
> defining the scope of the investigation (in terms of time and substance);
> formulating the terms of reference for the investigation;
> where a partner organisation is involved, examining whether and, if so when, further donor organisations and other Kindernothilfe departments in head office are to be informed
> examining whether and/or when law enforcement agencies (also in partner countries) should be involved. Accordingly, legal advice is to be sought.

Stage 4: Fact-finding and verification with the intention of either substantiating or repudiating the confirmed suspicion, investigating concrete irregularities and identifying and documenting how widespread they are. Possible measures include:
> authorising the country co-ordination office to collect information locally and carry out verification procedures, where a partner organisation is concerned;
> commissioning an auditor to carry out (embezzlement) audits locally or in head office based on the terms of reference, e.g. clarifying the circumstances, securing evidence, determining the scale of damage;
> interviewing the individuals involved, witnesses and the accused;
> keeping a written account of outcomes.

Stage 5: On the basis of these results, proposing measures and sanctions as quickly as possible to the responsible Kindernothilfe body (executive or administrative board) for subsequent decision. Particular consideration must be given to labour, civil and criminal offences in Germany and in partner countries.

Stage 6: The press office, together with the communications and public awareness departments, are asked, on a case-to-case basis, establish an adequate strategy for communication with the public and Kindernothilfe donors. This stage may be brought forward within the scope of proactive and transparent communication, particularly with the intention of preventing damage to the image and reputation of Kindernothilfe. Where cases are especially serious and/or have a significant media impact, the head office of TI-Deutschland may have to be informed.

Stage 7: Providing systematic and structured documentation of the case, in compliance with data protection regulations. Documentation is also provided for cases, for which no further investigation is required – the reasons for this must be stated in the documentation.

Stage 8: Case evaluation and lessons learnt: what lessons have been learnt, what new knowledge or experiences have emerged during case management that have relevance for dealing with future cases?

The following is a schematic representation of the stage-by-stage process:
Reporting a concrete case or suspicion of corruption to Kindernothilfe

Setting up the case management team

Collecting the facts and the initial assessment/evaluation of evidence by the case management team

Is there any conclusive evidence that has to be followed up?

Evidence is not followed up

Evidence is followed up: establishing how to proceed and seeking verification of alleged/actual irregularities

Suspicion not confirmed or cannot be verified

Suspicion confirmed, and irregularities can be verified

Measures and sanctions are approved and implemented

Where required, effective communication with the public and/or donors

Documentation of the case

Case evaluation & lessons learnt

Protection of the whistleblower and the accused with respect to the presumption of innocence
4.2.4 Sanctions
Sanctions play an important role in sending out a clear signal and, in compliance with the principles of proportionality, are imposed consistently:

- in the event of contraventions or violations of Kindernothilfe’s Integrity and Anti-Corruption Policy;
- where the misappropriation of funds is proven;
- in the event of confirmed corruption or substantiated criminal offences (e.g. fraud, embezzlement, bribery or accepting bribes);
- in the event of gross negligence or the premeditated misuse of whistle-blower systems, e.g. in the form of slander, libel or the deliberate dissemination of false information;
- where those concerned, e.g. staff working for Kindernothilfe or partner organisations, do not participate actively in the investigation of suspected corruption, and
- where, in violation of previous agreements, identified irregularities or causes of irregularities are not resolved or eradicated at the earliest opportunity.

Depending on the nature of the violation, offence or the proven misdemeanour, the sanctions available include:

- initiating disciplinary action and/or other measures available under employment legislation against salaried staff (including executive board members) employed by Kindernothilfe;
- demanding and pursuing claims for damages or repayment claims against Kindernothilfe staff as well as against partner organisations and/or their staff;
- the dismissal of members of Kindernothilfe bodies and/or exclusion of members from the association;
- initiating prosecution proceedings in Germany and, where required, overseas;
- terminating support for the project concerned;
- terminating co-operation with the partner organisations concerned, either on a temporary or permanent basis;
- in compliance with data protection rights and the individual’s right to privacy, passing on relevant information to other donor organisations of the partner organisation concerned.

During the period, in which any suspicion of corruption concerning partner organisations or projects (co-)financed by Kindernothilfe are being dealt with or investigated, payments to the partner organisation or project concerned are normally suspended until the matter has been resolved. The decision is made by the case management team.

The damage to the reputation and image of Kindernothilfe as well as the extent of any subsequent material damage, must be duly considered when sanctions are imposed.

5 Implementation through country co-ordination offices and partner organisations

Kindernothilfe’s country co-ordination offices play two different roles in the implementation of the anti-corruption policy. On the one hand, they act as an interface with local partners, with the policy forming the basis for Kindernothilfe’s interaction with its partners. On the other hand, the policy is also applicable to the country co-ordination offices themselves, serving as guidelines for these structures’ organisation and administration.

The country co-ordination offices communicate Kindernothilfe’s anti-corruption policy to its partners, with whom they maintain continuous dialogue on the risks of corruption, and how they can be minimised in each context. And together with its partners, it also analyses the risks of corruption and the existing anti-corruption mechanisms.

They use this as the basis to identify measures to address partners’ capacity building needs and make corresponding recommendations.

The country co-ordination offices also establish and nurture contacts with relevant groups or organisations actively addressing corruption in their own context. Where required, they can also pass on contact details to partners as a contribution to the joint learning process.

These activities always involve close consultation and subsequent transparent reporting to Kindernothilfe’s head office.
5.1 Implementing the policy within country co-ordination offices

Kindernothilfe’s country ordination offices differ greatly in terms of size, organisation and legal form. Accordingly, applying the policy to these co-ordination offices must be adapted to reflect these differences.

It is recognised that corruption risks can also develop or arise at country co-ordination level. Therefore, these specific risks must be analysed in collaboration with head office. This analysis then constitutes the basis for agreements made between head office and the country co-ordination office to minimise the risks identified. These agreements include preventive measures as well as procedures to deal with concrete cases and suspicions of corruption.

In doing so, Kindernothilfe is setting a good example and simultaneously practicing what it preaches to its partners. As the public face and representative of Kindernothilfe in their countries, the country co-ordination offices, thereby, have to bear particular responsibility.

5.2 Partner organisations

Kindernothilfe’s partner organisations are committed to compliance with the Integrity and Anti-Corruption Policy, the implementation of appropriate measures to prevent and combat corruption, and the protection of whistle-blowers. This declaration of commitment is enshrined in the “Agreement of Co-operation” and in the “Project Contract”.

Where corruption risks are identified, additional agreements between Kindernothilfe and the partner organisation should allow these risks to be addressed. Together with Kindernothilfe, the partner organisation regularly reviews the implementation of the measures agreed and, where required, makes appropriate adjustments.

Failure to comply with the agreements and approved measures may result in Kindernothilfe terminating working co-operation.

6 Evaluating implementation

The implementation of Kindernothilfe’s Integrity and Anti-Corruption Policy should be reviewed at regular intervals. This review should focus on a range of aspects:

- compliance with the implementation plan (annually);
- the level of knowledge about and familiarity with the policy throughout Kindernothilfe (every two years);
- the extent of implementation within the context of partner’s operations (every five years);
- “lessons learnt” from the results of case management evaluations (every two years);
- based on lessons learnt, the possible development and adaptation of the Integrity and Anti-Corruption Policy.

These reviews are commissioned by the executive board, which, in turn, is accountable to the administrative board through its submission of an annual report. All relevant working areas responsible for the respective reviews are involved in the reviews. Where required, the Ombuds office may be involved.

Duisburg, July 2019

Executive Board, Administrative Board of Kindernothilfe e. V. and Kindernothilfe Foundation Council
Declaration of commitment

Regulations for committee members (administrative board, foundation council, advisory boards) of Kindernothilfe e. V. and the Kindernothilfe Foundation
I hereby undertake to comply with the provisions of this Integrity and Anti-Corruption Policy of Kindernothilfe, to act in accordance with the principles, rules and procedural approaches set out in this policy and, within the scope of my mandate, to do what I can to prevent and combat corruption.

Regulations for Kindernothilfe staff (head office and country co-ordination)
I hereby undertake to comply with the provisions of this Integrity and Anti-Corruption Policy, to act in accordance with the principles, rules and procedural approaches set out in this policy and, within the scope of my working involvement in Kindernothilfe, to do what I can to prevent and combat corruption. Furthermore, I will respond immediately to any concrete case or suspicions of corruption and bring them, without delay, to the attention of Kindernothilfe.

Regulations for service providers and consultants (as part of programme/project work):
Kindernothilfe’s Integrity and Anti-Corruption Policy is an integral component of the contract (see appendix). By signing the contract, the service provider/consultant undertakes to comply with the provisions of these documents, to act in accordance with the principles and rules of this policy, and, in taking account of the local corruption risks, to take appropriate measures to prevent and combat corruption, and to protect whistle-blowers, who provide information in good faith and neither maliciously nor inappropriately, and ensure they are not disadvantaged in any way.

Regulation according to the General Agreement of Co-operation und Project Contract:
If the partner organisation does not already have an equivalent integrity and anti-corruption policy, it shall undertake to recognise the Kindernothilfe Integrity and Anti-Corruption Policy. In this case, the partner organisation shall ensure that all staff working for projects supported by Kindernothilfe receive a copy of the policy and confirm their acceptance of it by means of a legally binding signature.

The partner organisation commits itself to adhere to the regulations of the Kindernothilfe Integrity and Anti-Corruption Policy, to act in accordance with the principles and rules of this policy, to take appropriate measures to prevent and combat corruption with due consideration to the respective risk of corruption, and to protect whistle-blowers who provide information in good faith and neither maliciously nor inappropriately, and ensure they are not disadvantaged in any way.

In the event of corruption or embezzlement of Kindernothilfe funds on the part of its own staff, the partner organisation shall also immediately initiate disciplinary measures as well as civil and criminal proceedings.
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