

CORDAID'S ANTI-FRAUD POLICY

DOCUMENT MANAGER: ANTI-CORRUPTION AND ANTI-FRAUD OFFICER

APPROVED BY BOARD OF DIRECTORS, APRIL 2026

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1. INTRODUCTION

Given the nature of Cordaid's operations and its work in fragile contexts, Cordaid acknowledges an elevated risk of fraud and corruption. The impact of fraud and corruption on Cordaid's work can be significantly greater than the financial losses they cause. Fraud and corruption harm trust, the reputation of Cordaid, the development aid sector, and stakeholders such as staff, beneficiaries, partner organisations, donor organisations, government bodies, and the public.

Considering this context, Cordaid has a zero-tolerance stance on non-action regarding all forms of fraud and corruption and takes all suspicions of fraudulent activity seriously. Cordaid commits to responding to all reported instances of fraud and corruption and to administering sanctions as needed.

2. PURPOSE AND SCOPE

The purpose of this policy is to communicate Cordaid's commitment to deter, prevent, detect, and respond to fraud and corruption incidents that may occur in the course of its work. The policy sets out the responsibilities of Cordaid representatives and partners and describes how fraud and corruption risks will be managed throughout Cordaid's operations.

This policy applies to all suspected or alleged incidents of fraud and corruption involving any individual or entity engaged with Cordaid. This includes all Cordaid staff members and representatives—both in the Netherlands and abroad—as well as volunteers, consultants, vendors, implementing partners, sub-contractors, service providers, and any other party contractually engaged with Cordaid.

The policy also applies to all Cordaid entities, including Stichting Cordaid Expats, ICCO Group BV, Stichting ICCO, Fair Climate Fund BV, Cordaid SA NPC, ICCO Southern Africa NPC, Fair & Sustainable Participações em Empreendimentos Sustentáveis do Brasil, and Stichting ICCO Participation.

3. RELATED POLICIES

This policy should be read in connection with the following Cordaid policies:

- Code of Conduct
- Integrity framework
- Integrity Standard Operating Procedures
- Safeguarding Policy for Children, Young People and Adults
- Conflict-of-interest Policy
- Anti-terrorism and anti-money laundering policy
- Complaints procedure
- Governance Regulations
- Third-Party Risk Management (TPRM) Policy

The procedures outlined in this Policy, including the fraud case management process described in the annexes, provide a high-level framework for handling fraud and corruption cases. These should be read in conjunction with Cordaid's Standard Operating Procedures (SOPs), which provide more detailed operational guidance.

While this Policy primarily addresses the handling of fraud cases following a report or complaint, the same principles and process steps apply to cases identified through proactive detection measures (e.g. audits, monitoring, or control activities). In such instances, the SOPs provide additional guidance on operational implementation.

As a member of the ACT Alliance, Caritas Internationalis, DRA, PARTOS, and CIDSE, Cordaid is committed to upholding the integrity, accountability, and ethical standards articulated in the respective frameworks of these networks. This Fraud Policy

is designed to be consistent with these standards and to reinforce Cordaid's obligations arising from its membership in these organisations.

In addition, this Policy is informed by widely recognised international norms and good practice for anti-fraud and anti-corruption management, including standards developed by intergovernmental bodies, international donors, and professional associations. These external frameworks guide Cordaid on strengthening fraud prevention, detection, reporting, and investigation, and on ensuring that Cordaid operates with professionalism, transparency, and accountability in all contexts.

Where Cordaid's internal policies or contractual arrangements provide stricter requirements than external guidelines, Cordaid will apply the higher standard.

4. DISSEMINATION

The Anti-Fraud Policy is openly available on Cordaid's external and internal (Intranet) websites. All updates will be directly communicated to all Cordaid staff by the Cordaid Integrity Committee (CIC). The new Anti-Fraud Policy will be part of the Cordaid Onboarding Programme for newcomers.

The Anti-Fraud Policy is mentioned in all funding agreements for partner organisations, including a link to the full document.

The consultants commissioned by Cordaid, and the suppliers, will receive the Anti-Fraud Policy as part of their introduction to Cordaid.

5. DEFINITIONS OF PROHIBITED CONDUCT

The following prohibited practices pose serious risks to the reputation, credibility, operations, and ethical principles of Cordaid. These definitions reflect widely recognised international standards and apply to all persons and entities covered by this Policy.

Fraud

Fraud is any intentional act, misrepresentation, or omission designed to deceive others, resulting in a loss to Cordaid or a third party and/or a benefit to the perpetrator. Fraud includes, but is not limited to:

- **Embezzlement** of Cordaid or project assets
- **Asset misappropriation** or diversion of project resources
- **Falsification** or manipulation of financial records
- **Forging or falsifying documents** (e.g., invoices, receipts, delivery notes, attendance lists, fuel logs, quotations)
- **Inflated or fabricated costs**
- **Intentional misstatement of (donor) financial reports**
- **False claims**, including travel, per diem, procurement, or activity expenses
- **Fraudulent representation** of project achievements or results
- **Payroll fraud, ghost workers, inflated timesheets**
- **Grant fraud by implementing partners**
- **Procurement fraud**
- **Computer misuse/Cyber fraud**
- **Recruitment fraud**

Collusion

A secret agreement between two or more parties to commit an unlawful or deceitful act.

Includes collusion:

- Between staff and suppliers
- Between partners and vendors
- Between procurement committee members
- To manipulate outcomes or documentation

Corruption

Corruption is the abuse of entrusted power for private, personal, organisational, or political gain. Corrupt practices include:

- **Bribery**, including kickbacks, secret commissions, undue gifts or hospitality
- **Nepotism, favouritism or cronyism** in recruitment or procurement
- **Improper influence**, coercion, or manipulation of decision-making
- **Conflict-of-interest fraud**, including undisclosed financial or personal benefit

Theft

The unauthorised taking or use of property belonging to Cordaid or a third party, including cash, equipment, supplies, vehicles, laptops, or any assets provided for work purposes.

Extortion

Obtaining money, property, or services through threats, intimidation, or abuse of authority.

Obstruction of Investigation

Any action that interferes with, hinders, or attempts to influence a fraud assessment, review, or investigation improperly.

Includes:

- Destroying, concealing, or altering documents
- Withholding information or refusing reasonable cooperation
- Tampering with digital evidence or communications
- Intimidating, coaching, or retaliating against witnesses
- Creating obstacles to access premises, systems, or records

Money Laundering

- The conversion or transfer of property, knowing that such property is the proceeds of crime, for the purpose of concealing or disguising the illicit origin of the property or of helping any person who is involved in the commission of the predicate offence to evade the legal consequences of his or her action.
- The concealment or disguise of the true nature, source, location, disposition, movement, or ownership of or rights with respect to property, knowing that such property is the proceeds of crime; and,
- The acquisition, possession, or use of property, knowing, at the time of receipt, that such property is the proceeds of crime.

Terrorism financing involves the solicitation, collection, or provision of funds from legal or illegal sources, with the intention that they may be used, or in the knowledge that they are to be used, to support, in full or in part, terrorist acts or organisations.

Bribery is the offering, giving, promising, requesting, or receiving of anything of value with the intention to influence the actions or decisions of another party improperly. Bribery can occur directly or indirectly, and may involve staff, partners, suppliers, community representatives, authorities, or any third party.

Bribery includes, but is not limited to, the following forms:

- **Kickback** is a payment or in-kind benefit provided in exchange for awarding a contract, approving an invoice, or facilitating any commercial or operational decision.
- **Facilitation payment** is a small, unofficial payment made to speed up routine or legally entitled services. These are prohibited at Cordaid.

- **Personal favour** is any act, service, or benefit provided with an expectation of preferential treatment or influence.
- **Secret commission** is an undisclosed payment or benefit given to influence an employee's or representative's decisions to the detriment of Cordaid.

Gifts and hospitality

Gifts, meals, entertainment, travel, or hospitality intended — or reasonably perceived — to influence a decision or secure an advantage.

Cordaid does not allow the giving or receiving of monetary gifts or vouchers. Token gifts or hospitality below **€25 (or the equivalent in local currency, whichever is lower)** may be permitted only if they are **occasional, culturally sensitive, and do not create a conflict of interest**. However, in instances where declining gifts is considered insensitive, they must be declared in the gift registry held by HR and then handed over to Cordaid.

The above practices will generally be referred to as “fraud and corruption” or “fraud” in this policy.

6. FRAUD PREVENTION AND DETECTION

Cordaid adopts a risk-based approach to preventing and detecting fraud and corruption across all its operations. While the responsibility for creating and maintaining a culture of integrity lies with all staff and partners, the Anti-Corruption and Anti-Fraud Officer (ACAFO) serves as the central point of coordination for prevention, early detection, and investigative follow-up.

The following elements comprise Cordaid's systems and processes for preventing and mitigating the risk of fraud.

6.1 Integrated Management System with the Three Lines Model

Fraud prevention is embedded in Cordaid's regular internal control system through a Three-Lines Model (formerly three lines of defence).

This model helps organisations identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management.

Cordaid operates an **Integrated Management System for Risk Management, Quality Management and Internal Control**, whereby the following elements are important:

- First line: Cordaid's Integrated Management System describes the most essential business procedures, including process controls and segregation of duties. The Integrated Management System comprises various project processes, protocols, and policies. Line management is responsible for compliance with the quality system in the day-to-day operations.
- Second line: The Integrity, Compliance & QMS department and the Finance & Control department are responsible for the design of the Integrated Management System and monitor its effectiveness.
- Third line: The Internal Audit department performs regular internal audits at the Global Office and Country Offices to ensure the effectiveness of the Cordaid Quality System.
- An external audit on the consolidated financial statements and frequent external project audits (according to pre-defined guidelines and requiring qualified external auditors).

Cordaid's staff members, volunteers and consultants commissioned by Cordaid shall respect Dutch legislation as well as the legislation of the countries in which they work and must be familiar with all processes and policies that are part of the Integrated Management System. If there is any perceived difference between the requirements of this Policy and any legal requirement, Cordaid representatives should always act in accordance with the highest applicable standard.

6.2 Ethical Culture and Leadership (“Tone at the Top”)

The Board of Directors, the Supervisory Board, and Managers at all levels must actively promote ethical behaviour, reinforce Cordaid’s zero-tolerance approach to fraud and corruption, and ensure that their teams understand the relevant rules, risks, and reporting mechanisms.

In practice, it means that all Cordaid staff and volunteers, including the Board of Directors and the Supervisory Board, must help minimise losses from corruption and report any suspicions.

The Supervisory Board, Board of Directors, and Line Managers have an additional responsibility to ensure that this policy is applied at all levels, to promote its relevance, to hold themselves and others accountable, and to create a safe environment.

This includes overseeing the implementation of adequate controls, displaying an appropriate attitude and behaviour in matters concerning fraud and corruption, and demonstrating, through actions, the decisions made in response to incidents of fraud and corruption.

6.3 Risk Assessments and Control Environment

Fraud and corruption risks must be assessed regularly at the Global Office, Country Office, programme, and partner levels.

Risk assessments should consider:

- The operational context, including conflict, weak administration, low capacity, and reliance on manual documentation.
- High-risk functions such as procurement, cash handling, partner management, recruitment, payroll, and asset management.
- Financial and non-financial red flags.

Country Offices must implement internal controls proportionate to their local risk profile. Where local conditions limit the effectiveness of controls, mitigating measures must be identified in consultation with the ACAFO and/or the Integrity and Safeguarding Officer (ISO).

6.4 Preventive Measures

Prevention includes, but is not limited to:

- Cordaid conducts mandatory due diligence on staff and third parties (including implementing partners and providers of goods, works, and services, such as consultants). This includes assessments of organisational capacity, partners’ financial capability, and third-party screening tools such as WorldCheck and, where appropriate, Xapian (online, open-source background searches). The level of due diligence applied is proportionate to the nature and risk of the relationship and follows Cordaid’s Safe Recruitment Guidelines and Third-Party Risk Management Policy.
- Segregation of duties in procurement, payments, HR, logistics, and programme delivery.
- Conflict-of-interest declarations for staff members and third parties, including implementing partners and providers.
- Clear rules for asset management, cash management, and procurement committee procedures.
- The Procurement Manual of Cordaid provides guidelines for vendor management, including verification of vendors and pricing.

Cordaid may impose enhanced controls in high-risk environments, such as additional supporting documents, strengthened approval levels, or field verification where security allows.

When designing new projects, Project leaders will be responsible for ensuring that fraud and corruption risks are fully considered in the project design and processes and for embedding the identified risks in the project design. Managers will also be responsible for conducting regular fraud risk assessments to identify and evaluate the programme, operational, and support activities most susceptible to fraud and corruption.

6.5 Training and Awareness

All staff working at Cordaid's Global Office and Country/cluster offices are expected to fully familiarise themselves with the Code of Conduct for staff before starting their employment. The Code of Conduct addresses corruption and misappropriation of assets as wrongful behaviour. In addition, Cordaid's Conflict of Interest policy must be signed by all staff members. Cordaid staff are also required to familiarise themselves with the other policies specified in Section 3 of this policy (Related policies).

Cordaid ensures that all staff understand their responsibilities regarding fraud prevention.

- **Induction/Onboarding:** All new staff must complete integrity and anti-fraud training within their first month of employment.
- **Refresher Training:** Mandatory refresher courses are conducted annually as part of the Annual Integrity Training Plan.
- **Reporting Requirement:** To ensure compliance, Human Resources (HR) at both the **global** and **country office** levels are required to report quarterly on Integrity Compliance Program (ICP) training attendance. These reports must be submitted to the Integrity Committee to monitor organisational coverage and identify gaps.

6.6 Detection and Monitoring

Detection mechanisms include:

- Routine financial monitoring and spot checks.
- Partner monitoring, including desk reviews and field visits when possible.
- Automated controls within ERPx (where applicable).
- Pattern analysis, data analytics, and identification of anomalies or red flags.
- Verification of receipts, vouchers, attendance lists, beneficiary lists, and payment records.

Cordaid reserves the right to request **any documentation, data, financial records, vouchers, digital logs, or supporting evidence** from implementing partners or suppliers in accordance with contractual agreements.

6.7 Mandatory Cooperation

Cordaid must be able to directly oversee and verify all aspects of Cordaid's activities, including for the purpose of preventing, detecting and responding to fraud practices. To this end, all staff, third parties (including implementing partners and providers), and their affiliates must collaborate, participate, and facilitate related activities, notably by granting Cordaid and its representatives unfettered access to any records, individuals, and sites linked to Cordaid's activities. This will be done primarily through contractual instruments, thereby making this duty applicable to Cordaid's partners and third parties (including providers).

6.8 Prohibition of Evidence Tampering and Obstruction

Any attempt to destroy, alter, conceal, or fabricate documents, or to interfere with the ACAFO's or ISO's work, constitutes a serious violation and may result in disciplinary measures, contractual sanctions, or referral to the authorities.

7. REPORTING SUSPECTED FRAUD AND WHISTLEBLOWING

This section provides a high-level overview of reporting expectations specific to fraud and corruption. In case of any inconsistency, the Whistleblowing Policy and related procedures prevail.

Cordaid encourages and expects all employees, volunteers, consultants, implementing partners, suppliers, and other stakeholders to promptly report any suspicion, allegation, or indication of fraud, corruption, or related misconduct. Reports may relate to actions by Cordaid staff, partners, external parties, or any individual connected to Cordaid projects.

Cordaid's formal reporting channels and procedures for raising concerns, including whistleblowing, are defined in the applicable SOPs, the Whistleblowing Policy, and related procedures. These documents establish the official reporting channels, protections for reporters, and handling of reports.

Reports of suspected fraud or corruption may arise through formal reporting channels or through management, audits, or control processes. All such cases shall be handled in accordance with this Policy and the applicable whistleblowing procedures.

7.1 Obligation to Report

All Cordaid staff members have a duty to report suspected fraud or corruption immediately upon noticing signs or receiving information. Implementing partners, suppliers, and contractors are required — under their contractual agreements — to report suspicions to Cordaid without delay.

Failure to report known fraud may itself constitute a breach of policy.

7.2 Reporting Channels

Cordaid maintains multiple confidential, secure, and accessible reporting channels to enable staff, partners, beneficiaries, and other stakeholders to report suspected fraud, corruption, or other misconduct safely and reliably. These channels include EthicsPoint, direct reporting to the ACAFO, the ISO, or the Integrity Focal Point (IFP), as well as reporting via email, written correspondence, line managers, or other designated management representatives.

Cordaid provides multiple safe and accessible channels for reporting concerns, including:

1. Directly to the ACAFO via integrity@cordaid.org.
2. To the immediate or higher supervisor, who will then submit the report to the ACAFO. In case of a partner, consultant, or supplier, to the manager in charge of their contract. Persons who have formed suspicions may also report to higher supervisors where the immediate supervisors are implicated, or they feel the immediate supervisor will not take the report seriously.
3. To the Regional/Country IFP. IFPs are trained staff members authorised to receive confidential reports of fraud and corruption and facilitate escalation to the ACAFO.
4. Online via www.cordaid.org/en/reporting-integrity-concerns-and-security-incidents/ (Ethics Point platform – confidential and accessible for staff and external parties).

Staff who are unable to report to their line manager or directly to the ACAFO may also use the external whistleblowing service. Reports of fraud and corruption can also be sent through the following external channels:

1. An external Whistle-blower Service via +31 (0)88 1331 030, via email to advies@huisvoorklokkenluiders.nl, or directly online (Dutch). To report (suspected) misconduct via the House of Whistle-blowers, the wrongdoing must be of public interest and based on reasonable suspicions.
2. Make use of the whistle-blower service at the secretariat of [ACT Alliance](http://actalliance.org) (of which Cordaid is a member) by sending an email via complaintsbox@actalliance.org or make use of the whistle-blower service at Caritas Internationalis directly to the Caritas Internationalis Secretary General (of which Cordaid is a member). (If the complaint is against the Secretary General, then the Complaint Handling Officer will report to the President.)

Cordaid representatives and any other external parties who report allegations of fraud and corruption are encouraged to exhaust the internal reporting channels first, unless they believe the allegations will not be taken seriously.

7.3 What to report

Reportable concerns include, but are not limited to:

- Suspected fraud, corruption, bribery, theft, extortion;
- Forgery, falsification of documents, manipulation of vouchers;
- Procurement-related irregularities;
- Recruitment fraud or manipulation of hiring processes;
- Beneficiary selection manipulation;
- Misuse of assets or funds;
- Obstruction of a review, audit, or investigation;
- Destruction or concealment of evidence;
- Any behaviour that creates a conflict of interest or undermines Cordaid's integrity.

When possible, reports should include:

- A description of the concern;
- Names of individuals involved;
- Dates, locations, and project references;
- Documents, screenshots, or other supporting information.

A lack of evidence should not deter reporting. Where there is uncertainty, staff are encouraged to consult the ACAFO or the ISO.

7.4 Protection of Whistleblowers

Cordaid strictly prohibits retaliation against any person who reports in good faith.

This includes protection from:

- Dismissal or negative performance actions
- Harassment, intimidation, threats
- Social or professional exclusion

Any suspected retaliation must be reported immediately and will itself be treated as serious misconduct.

7.5 Confidentiality

Cordaid respects confidentiality and has a responsibility to protect sensitive personal data in line with the General Data Protection Regulation (GDPR) and Cordaid's Data Protection Policy. All reported allegations of fraud will be kept confidential to the greatest extent possible and will only be shared and handled on a need-to-know basis; that is, access to the information must be necessary for the conduct of one's official duties. Only individuals with legitimate reasons to access the information are permitted to receive it. Breach of confidentiality will be treated as misconduct and may be subject to disciplinary measures.

Cordaid is committed to maintaining strict confidentiality in all fraud and corruption cases, particularly regarding the identities of reporters and subjects of investigation, as well as sensitive information.

Cordaid ensures that confidentiality is maintained throughout the handling of fraud and corruption cases. The controlled sharing of information, including lessons learned and reporting of findings, is governed by Cordaid's Standard Operating Procedures (SOPs) and applicable legal and contractual requirements.

Any such communication will be carefully managed to ensure that no personal data, confidential information, or details that could identify individuals are disclosed without proper authorisation.

7.6 The Role of the ACAFO

Cordaid's Anti-Corruption and Anti-Fraud Officer (ACAFO) serves as the **central coordination point** responsible for receiving fraud allegations, conducting preliminary assessments, investigating financial misconduct, and ensuring appropriate follow-up in accordance with Cordaid's Integrity Policy, Integrity Framework and the SOPs.

The ACAFO is authorised to request, access, and review relevant records, documents, and information that are reasonably required to assess allegations and support investigations, acting independently, confidentially, and proportionately.

Further responsibilities of the ACAFO will be stipulated in the Roles and Responsibilities Section (10.4).

7.7 Good Faith Reporting

Reports made in good faith — even if not substantiated — will not result in any negative consequences. Malicious or knowingly false reports, however, may result in disciplinary action.

8. FRAUD AND CORRUPTION IN SUPPLIERS AND PARTNERS

Cordaid expects all third parties, including suppliers, implementing partners, sub-grantees, and contractors, to uphold the same standards of integrity, accountability, and transparency to which Cordaid staff are held. Fraud, corruption, or related misconduct by external parties poses significant risks to Cordaid's operations, reputation, and donor compliance.

8.1 Obligations of Partners and Suppliers

All partners and suppliers must:

- Comply with Cordaid's Anti-Fraud Policy, Code of Conduct, and contractual integrity clauses.
- Maintain accurate financial, procurement, and HR records for all Cordaid-funded activities.
- Implement internal controls proportionate to their operational and contextual risks.
- Report any suspected fraud or corruption related to Cordaid projects immediately.

These obligations apply throughout the duration of the contractual relationship and during the records-retention period specified in agreements.

8.2 Right of Access

Partners and suppliers must take appropriate steps to ensure that robust policies and procedures are in place to combat fraud and corrupt practices.

Partners must ensure that these measures are applied to programmes that receive funding from Cordaid. The partners have the duty to ensure that Cordaid resources are safeguarded and used for their intended purposes, as authorised by Cordaid. The suppliers have a duty to interact honestly and with integrity when providing goods and services to Cordaid. Both the partners and the suppliers will be required to promptly report to Cordaid any reasonably suspected cases of fraud and corruption involving Cordaid funds. If the allegations are assessed and determined credible, Cordaid may:

1. Conduct the investigations or
2. Engage an external investigator on its behalf or
3. Request the partner or supplier to conduct an independent investigation.

The partners and the suppliers are required to fully cooperate in any investigation undertaken by Cordaid, including by allowing Cordaid to access and inspect their premises as well as any records, documents, and any other information. Cordaid will have access to reports on investigations that impact its funding.

8.3 Cooperation Requirements

Partners and suppliers must cooperate fully and in good faith with any review, audit, verification, or fraud investigation. This includes:

- Providing timely responses
- Facilitating interviews
- Ensuring access to information
- Preserving all relevant documents

Failure to cooperate may result in suspension of payments, termination of contract, recovery of funds, or referral to authorities.

8.4 Consequences of Misconduct

Confirmed fraud, corruption, or obstruction by partners or suppliers may lead to:

- Immediate termination of the agreement
- Recovery of misused funds
- Withholding of current or future payments
- Reporting to donors or authorities
- Exclusion from future contracting with Cordaid

Cordaid may apply additional measures in high-risk contexts in line with donor requirements.

9. SANCTIONS, DISCIPLINARY MEASURES, AND CORRECTIVE ACTIONS

This section outlines the key principles and types of measures applicable in cases of fraud, corruption, or related misconduct.

The detailed application of disciplinary measures, sanctions, and corrective actions is governed by Cordaid's SOPs, as well as relevant HR policies, contractual frameworks, donor requirements, and applicable laws.

Cordaid applies appropriate disciplinary, contractual, administrative, and corrective measures where misconduct is suspected or confirmed. All measures are proportionate, evidence-based, consistently applied, and fully documented, and are implemented without discrimination or retaliation. Individuals have the right to respond before final decisions are taken.

9.1 Immediate and Interim Measures

Upon receiving a report or identifying potential misconduct, Cordaid may take precautionary measures to protect individuals, assets, and evidence, and to safeguard the integrity of the investigation.

Such measures may include:

- Suspension or freezing of payments
- Securing physical and electronic records
- Restricting access to systems, premises, or information
- Temporary reassignment or suspension of individuals
- Protection of affected beneficiaries or staff
- Engagement of investigative or audit resources
- Notification to donors or authorities, where required

These measures are **preventive in nature** and do not constitute a presumption of wrongdoing.

9.2 Disciplinary Measures for Cordaid Staff

Confirmed fraud or misconduct by Cordaid staff may result in disciplinary measures, including but not limited to:

- Formal warnings or performance measures
- Suspension or reassignment of duties
- Termination of employment
- Referral to law enforcement authorities, where appropriate

All disciplinary actions are applied in accordance with HR policies, labour laws, and the Integrity Policy and Procedure Framework, with detailed procedures governed by the SOPs.

9.3 Sanctions for Implementing Partners, Suppliers, and Contractors

Where fraud or corruption is confirmed involving third parties, Cordaid may apply contractual measures, including:

- Formal notices of breach
- Suspension or withholding of payments
- Recovery of misused funds
- Termination of contracts or partnerships
- Exclusion from future cooperation
- Referral to donors or authorities, where required

All measures are applied in line with contractual terms, donor requirements, and applicable procedures defined in the SOPs.

9.4 Financial Recovery and Restitution

Cordaid seeks to recover funds lost, misused, or diverted through fraud or corruption, in accordance with contractual and legal frameworks.

Recovery measures may include:

- Withholding or adjusting disbursements
- Repayment requests or offsetting arrangements
- Legal action where necessary

Donor-specific requirements are followed where applicable.

9.5 Referral to Authorities

Where misconduct may constitute a criminal offence, Cordaid may refer the matter to relevant authorities.

Such decisions are taken by the **Board of Directors**, in consultation with relevant functions, including ACAFO, ISO, Legal, and the concerned Country Office, and in accordance with legal and contractual obligations.

9.6 Corrective Actions

Corrective actions aim to address the root causes of misconduct and strengthen systems to prevent recurrence. They are preventive in nature and may include:

- Strengthening internal controls and procedures
- Enhancing financial oversight and monitoring
- Capacity building and targeted training
- Adjustments to governance structures or delegations of authority
- Increased verification, monitoring, or audits

Corrective actions are defined based on investigation outcomes and are implemented by the relevant operational units.

The Quality Management function at the Global Office is responsible for monitoring the implementation of corrective measures at the organisational level.

The ACAFO may provide advisory input, but is not responsible for operational enforcement.

9.7 Communication and Reporting

Significant cases may require notification to relevant stakeholders, including donors, regulatory bodies, or governance bodies, in line with contractual and legal obligations.

All external communication is coordinated and approved by the Board of Directors and handled in accordance with confidentiality requirements.

9.8 Record-Keeping

All measures, including sanctions, disciplinary actions, and corrective actions, are securely documented in appropriate systems, including:

- The anti-fraud case register (maintained by ACAFO)
- HR records (for staff-related measures)
- Contractual files (for partners and suppliers)

Records are retained in accordance with **donor requirements and applicable legal standards**.

10. ROLES and RESPONSIBILITIES

10.1 Integrity Governance Structure

Cordaid's approach to integrity and misconduct management is outlined in the Integrity Policy and Procedure Framework, which provides the overarching structure for integrity reporting, safeguarding, and the handling of misconduct across the organisation.

Within this framework, the Anti-Fraud Policy clarifies the specific roles and responsibilities related to fraud and corruption cases. The ACAFO, the ISO, the Internal Audit, and the Case Committee have distinct but complementary responsibilities in managing fraud allegations and investigations.

- The **ACAFO** coordinates fraud reporting, intake, case management, and investigation processes.
- The **ISO** oversees the broader integrity framework to ensure all policies stay aligned with global ethics and safeguarding standards while leading the operational response to interpersonal misconduct
- The **Internal Auditor** independently evaluates internal controls and may lead inquiries where systemic control failures are suspected.
- The **Case Committees** may be established for complex cases to provide oversight and guidance during investigations.

Preventing, detecting, and responding to fraud and corruption is a shared responsibility across the organisation. While all Cordaid representatives play an important role, certain functions carry specific responsibilities for maintaining effective controls, promoting ethical behaviour, and ensuring appropriate action when risks arise. The ACAFO and ISO collaborate on complex cases involving both people and financial resources. This division of roles ensures independence, accountability, and effective oversight in line with Cordaid's integrity governance framework.

10.2 Supervisory Board and the Board of Directors

- Establish and endorse Cordaid's zero-tolerance standpoint on fraud and corruption.

- Approve this Anti-Fraud Policy and ensure resources are available for implementation.
- Receive periodic updates on major fraud risks, investigations, and corrective actions.
- Ensure effective governance structures are in place for oversight and accountability.
- Fulfil decision-making roles within the investigative procedure.

10.3 Senior Management Team (SMT)

- Country Directors (CD), Senior Managers (GO).
- Promote ethical conduct and set the tone at the top.
- Ensure Country Directors and department heads implement internal controls appropriate to their risk profile.
- Support ACAFO and the Integrity Officer in conducting impartial investigations.
- Make decisions on disciplinary measures, partner sanctions, or referrals to authorities when required.

10.4 Anti-Corruption and Anti-Fraud Officer (ACAFO)

The ACAFO serves as Cordaid's central coordination point for the prevention, detection, reporting, and investigation of fraud and corruption. The ACAFO ensures that suspected misconduct is assessed, documented, and addressed consistently and professionally across the organisation.

While the ACAFO coordinates the anti-fraud framework and most fraud investigations, certain functions—such as Internal Audit, Legal Counsel, or governance bodies — may assume leadership roles where their mandates apply, particularly in matters involving internal control failures, legal proceedings, or governance oversight.

Key responsibilities:

Prevention & Detection

- Lead and maintain Cordaid's anti-fraud and anti-corruption framework.
- Support Country Offices in identifying fraud risk areas and strengthening preventive controls.
- Provide fraud awareness training, guidance, and advisory support across the organisation.
- Monitor red flags, partner risk indicators, and emerging fraud trends.

Reporting & Intake

- Serve as a primary confidential reporting channel for fraud and corruption concerns.
- Conduct triage and initial assessments of allegations received through EthicsPoint or other reporting channels.
- Register and document all cases in the central case management system (EthicsPoint).
- Determine the appropriate escalation level and coordinate the next steps in line with the escalation matrix.

Investigation Coordination

- Coordinate and, where appropriate, conduct investigations into suspected fraud or corruption.
- Ensure investigations follow an approved investigation plan and appropriate methodology.
- Access and review relevant documentation, including financial records, contracts, digital data, and partner records necessary for inquiries.
- Work closely with the ISO, the Internal Audit, Finance, Legal, Compliance, and the relevant Country Offices.
- Prepare investigation reports and propose recommendations on sanctions, recovery, and corrective actions.

Depending on the nature of the case:

- **Internal Audit** may advise on systemic internal control weaknesses or audit findings.
- **Legal Counsel** may lead or advise where legal proceedings, contractual enforcement, or regulatory matters arise.
- **Governance bodies** (SMT, BoD, or Supervisory Board) may assume decision-making roles for high-risk or governance-sensitive cases.

Case Management and Reporting

- Maintain secure case documentation and archives for all reported cases.
- Provide periodic reporting on fraud trends and significant cases to senior management and governance bodies.
- Support donor reporting obligations when fraud cases involve donor funds.

Follow-up

- Report significant cases to SMT, donors, or authorities, in line with obligations.
- Maintain secure archives of all case files.

Corrective actions identified through investigations are implemented and monitored by the relevant operational departments and coordinated at the Global Office by the **Quality Management function**, which oversees the organisation-wide monitoring of corrective measures and control improvements.

10.5 Integrity and Safeguarding Officer (ISO)

Oversees the broader integrity framework of the organisation, including safeguarding, ethics, and integrity policies. The ISO works closely with the ACAFO to ensure alignment between safeguarding, integrity, and fraud-related matters.

- Support the intake and assessment of integrity-related reports, including fraud cases.
- Lead on misconduct that involves safeguarding, harassment, or any other type of interpersonal misconduct.
- Collaborate with ACAFO on investigations that involve both fraud and interpersonal misconduct.
- Ensure survivor-centred approaches where safeguarding concerns overlap.

10.6 Internal Auditor

Operates independently and focuses on evaluating the effectiveness of internal controls, governance, and risk management systems. Internal Audit may conduct or lead investigations where systemic control failures are suspected or where the matter falls within its audit mandate.

- Conduct independent and risk-based audits and evaluations of internal controls.
- Identify systemic weaknesses that may enable fraud or corruption.
- Provide advisory support on risk mitigation and control improvements.
- Coordinate with ACAFO in cases requiring forensic audits or financial sampling.
- Advise on systemic internal control weaknesses or audit findings where necessary.

10.7 Finance and Operations Departments (Global Office and Country Offices)

- Implement internal financial controls (segregation of duties, reconciliations, procurement protocols).
- Ensure accuracy and completeness of financial documents, records, and reporting.
- Report anomalies, red flags, or suspected irregularities immediately.
- Provide documents and support to investigators when requested.
- Maintain secure archiving systems in line with donor retention rules.

10.8 Country Directors and Country Office Management

- Ensure strong internal control systems are operational in field offices.
- Guarantee that staff receive training on fraud prevention, Code of Conduct, and reporting channels.
- Conduct partner due diligence and monitor financial and programmatic performance.
- Facilitate access to records and staff during investigations.
- Implement corrective actions following investigations and audits.
- Ensure working practices reflect the realities of high-risk, low-capacity, or conflict-affected environments.

10.9 Line Managers and Supervisors

- Promote ethical behaviour within their teams.
- Ensure adherence to procurement, HR, logistics, and financial procedures.
- Monitor operations for anomalies or irregularities.
- Respond promptly when concerns are reported.
- Support investigations by making staff and records available.
- Model non-retaliatory behaviour and protect whistleblowers.

10.10 All Cordaid Staff Members

Every staff member has the responsibility to:

- Act with honesty, integrity, and professionalism.
- Follow all relevant policies, procedures, and controls.
- Report suspicions of fraud or corruption immediately.
- Cooperate fully with any inquiry, review, or investigation.
- Protect Cordaid assets, funds, and information.
- Declare any conflict of interest.
- Use Cordaid resources only for authorised purposes.

Failure to cooperate, withholding information, or engaging in retaliation constitutes misconduct.

10.11 Implementing Partners

Partners are required to:

- Comply with this Anti-Fraud Policy, the Code of Conduct, and contractual integrity clauses.
- Maintain transparent and accurate financial records.
- Report suspicions or incidents of fraud without delay.
- Provide full access to all relevant documents, records, and staff.
- Implement corrective actions required by Cordaid or donors.
- Prevent destruction, alteration, or concealment of evidence.

Non-compliance may result in suspension of funds, termination of the contract, or recovery measures.

10.12 Suppliers

Suppliers must:

- Comply with ethical procurement requirements.
- Submit accurate, legitimate invoices, quotations, and bids.
- Avoid conflicts of interest, kickbacks, or collusive practices.
- Cooperate fully with audits or investigations.
- Report misconduct related to Cordaid projects.

Engaging in fraud, bid-rigging, false invoicing, or obstruction can lead to immediate contract termination and debarment.

10.13 Beneficiaries and Community Members

Cordaid encourages beneficiaries and community stakeholders to:

- Report concerns about fraud, manipulation, or misuse of resources.
- Use available safe reporting channels.
- Participate honestly in distributions, registrations, and surveys.

Cordaid ensures that beneficiaries can report concerns confidentially and without retaliation.

10.14 Donors and Regulatory Authorities

- Donors may require immediate notification of certain fraud cases.
- Cordaid cooperates fully with donor audits, verifications, or investigations.

Cordaid complies with legal obligations to report criminal activity to authorities where applicable.

ANNEX 1: PROCEDURE FOR DEALING WITH SUSPECTED FRAUD

PROCEDURE FOR DEALING WITH SUSPECTED FRAUD	
Steps	Actions
Appointment of a Case Committee	A Case Committee may be established by the (ACAFO) in consultation with the (ISO) for complex or sensitive cases. The Committee should include members with appropriate expertise and independence, combining objectivity with relevant contextual knowledge. The ACAFO is always a member of the Case Committee.
Plan of approach	A plan/approach for the next steps to be taken by the Case Committee. The approach includes: <ul style="list-style-type: none"> - Suspension of staff; - Provision of replacement staff; - Launch of an internal investigation (if possible); - Appointment of an External Forensic Auditor (if necessary) to conduct a fraud/corruption/forensic investigation; - Collate the Investigation Plan; - Inform the donor; - Decision on when to contact other funding partners.
Investigations	The ACAFO, ISO or IFP will conduct investigations in accordance with the principles of impartiality, confidentiality, transparency, independence, timeliness, and will be evidence-based.
Review	The Case Committee reviews the investigation or forensic audit report to verify compliance with the approved Investigation Plan, assess the adequacy of findings and conclusions, and confirm that appropriate actions and recommendations have been proposed.
Communication	The ACAFO is responsible for communicating the outcome of the investigation to the relevant stakeholders.
Evaluation	The ACAFO evaluate with the Case Committee how the process went. Lessons learned and how to utilise these in our policies.

ANNEX 2: DECISION MATRIX FOR FINANCIAL MISCONDUCTS

Risk Level	Impact & Exposure Criteria (Triggers – Any Apply)	ACAFO Role	Decision Maker (DM)	Investigation Lead
LEVEL 1 – LOW	Financial: < €25000 Operational: Isolated administrative error, no malicious intent Actor: Non-managerial Staff only Context: No external partners or donors affected	Advisory, Registers Case, Provides Guidance, Investigates, where applicable.	CFO or Country Director* (Decision of the CFO)	ACAFO or GO/Local IFP
LEVEL 2 – MEDIUM	Financial: €25,000 – €100,000 Operational: Repeated error or control weakness Actor: Supervisory Staff, Finance/Procurement Staff Context: Internal impact with potential control weaknesses	Monitoring Reviews and Findings, Advises DM, Investigates where applicable	CFO or Country Director* (Decision of the CFO)	ACAFO or GO/Local IFP
LEVEL 3 – HIGH	Financial: €100,000 - €1,000,000 Operational: Intentional fraud or prohibited conduct under this Policy. Actor: SMT member (Section 10.2), Procurement Staff with decision authority or partner senior management. Context: External collusion, procurement manipulation, or donor-relevant impact.	Active supervision directs inquiry and ensures donor compliance	CFO or Country Director* (Decision of the CFO)	ACAFO
LEVEL 4 – CRITICAL	Financial: > €1,000,000 Reputational: Risk of Donor Sanctions, Funding Suspension or Legal Exposure Actor: Country Director, CFO, or BoD member Context: Systematic failure, governance breakdown or criminal exposure	Full control, Mandatory Escalation to the BoD	BoD (or Supervisory Board if BoD is implicated)	ACAFO

The highest applicable trigger determines risk level classification. Where multiple criteria apply, the most severe criterion governs escalation, irrespective of financial value.

Mandatory Escalation Rules

- If a decision maker is implicated, authority automatically escalates to the next governance level.
- If donor reporting thresholds are triggered, escalation occurs regardless of financial value.
- If criminal conduct is suspected, Legal Counsel is consulted immediately.
- ACAFO remains involved at all levels for risk assessment, registration, coordination, and oversight.

In fragile or high-risk contexts, ACAFO may recommend escalation to a higher level where:

- Documentation is weak due to contextual constraints
- Risks to staff, beneficiaries, or Cordaid's reputation are elevated
- External scrutiny is expected

Such decisions are documented and justified.

ANNEX 3: FRAUD AND MISCONDUCT HANDLING PROCESS

Step	Process Stage	Description	Responsible Function(s)
1	Report / Complaint	Allegations of fraud or misconduct are reported through official channels (e.g. EthicsPoint, email, management, or other reporting mechanisms).	Staff, partners, beneficiaries, third parties
2	Intake & Registration	The report is received, recorded, and registered in the central case management system (EthicsPoint).	ACAFO
3	Triage	Initial assessment of the allegation, including credibility, severity, risk level, and determination of escalation level.	ACAFO (in consultation with ISO and CFO, if needed)
4	Investigation	Investigation is conducted or coordinated based on the case's nature and complexity. May involve Internal Audit or external investigators.	ACAFO / ISO / External investigators
5	Decision-Making	Based on investigation findings, the appropriate decision-making authority determines the outcome in line with the escalation matrix.	Management / BoD / Supervisory Board
6	Sanctions / Disciplinary Measures	Application of disciplinary, contractual, or legal measures in accordance with policies, contracts, and applicable laws.	HR / Management / BoD
7	Corrective Actions	Identification and implementation of control improvements and preventive measures to address root causes.	Management / Country Offices / QM (monitoring)
8	Donor Reporting	Notification to donors where required under contractual obligations or regulatory requirements.	Management / Finance
9	Case Closure	The case is formally closed after documentation, actions, and reporting are completed. Lessons learned are recorded.	ACAFO

Fraud Handling

The fraud case management process ensures that all allegations are handled in a structured and consistent manner. Reports are first received and registered through secure reporting channels. Following intake, allegations undergo triage to determine credibility, risk level, and appropriate escalation. Investigations are conducted by the appropriate function depending on the case type and severity. Based on investigation findings, management or governance bodies decide on sanctions and corrective actions. Where required, donors are informed in line with contractual obligations. The case is formally closed once all actions have been documented and implemented.

ABOUT CORDAID

Cordaid works to end poverty and exclusion. We do this in the world's most fragile and conflict-affected areas as well as in the Netherlands. We engage communities to rebuild trust and resilience and increase people's self-reliance.

Our professionals provide humanitarian assistance and create opportunities to improve security, healthcare, education and agrifood systems. We are supported by 250,000 private donors in the Netherlands and by a worldwide partner network. Cordaid is a founding member of Caritas Internationalis, CIDSE, and ACT Alliance.

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