

## GWP Anti-Fraud/Corruption Policy 2015

The Global Water Partnership (GWP) Network currently comprises over 3,000 partner organisations located in 164 countries. The GWP Network is represented globally by 13 Regional Water Partnerships (RWP) and 87 Country Water Partnerships (CWP). The Network is supported by an intergovernmental organisation – the GWP Organisation (GWPO), based in Stockholm, Sweden.

The GWP's mission is "to support the sustainable development and management of water resources at all levels". GWP has an integrated and holistic approach aiming at achieving social equity, economic efficiency, and environmental sustainability and it strengthens initiatives for facilitation of processes that leads to behavioural changes, to ensure the sustainable use of the most essential resource on Earth - water.

The GWPO receives funding from a number of external financiers. The funding is provided under individual funding agreements, which generally have similar provisions, however, differences may exist as to specificity of what the funding is to be used for, and how reporting shall be carried out.

GWPO distributes the majority of the funding for GWP Network activities through the Regional Water Partnerships (RWPs). The RWPs disburse part of this funding to Country Water Partnerships and to other external organisations, often GWP Partners (for example NGOs, consultants, academic institutions), in order to implement programme activities underlined in the GWP Strategy. GWPO also distributes funding directly to consultants, Senior Advisors and members of the Technical Committee who carry out work for GWPO and the GWP Network. Activities occur throughout the GWP Network at all levels which places challenges on all actors to engage in activities in a non-fraudulent and non-corrupt manner.

The aim of the funding received by GWPO is to fulfil the GWP Strategy which advocates for a water secure world through sustainable water management. The strategy is implemented through programmes and projects for this objective, and by capacity building and strengthening the GWP Network. This is carried out by i) GWPO providing support and advice services to the GWP Network, and ii) GWPO providing funding for specific sustainable water management activities carried out by GWP Partners at global, regional, national and local levels. Additional funding is provided by external funders directly to the RWPs and CWPs (referred to as locally raised funds).

GWP has an irrevocable commitment to core values such as integrity, fairness, sustainability and partnership. Corruption and fraud threatens core principles of the free market systems and undermines the rule of law.

In order to ensure the financial viability of GWPO and the GWP Network at regional and national level and to protect the reputation of GWP it is imperative that all funding is managed to the highest international standards and that mechanisms exist to foster integrity, minimize reputational risk, and to prevent and correct corruption and fraudulent behavior.

This Anti-Corruption/Fraud Policy therefore;

1. Defines fraudulent and corrupt behaviour within the GWP Network.
2. Sets out steps to be taken when fraud is reported or suspected.
3. Highlights measures that shall be taken in order to minimise the risk of fraud or corruption occurring in GWP.

The Anti-Fraud/Corruption Policy shall apply to all GWPO, Regional and Country Water Partnership employees, to all host institutions in relation to managing GWPO funds and any other individuals/organisations contracted by GWPO or the GWP RWPs and CWPs.

Behavior that falls short of the required standards is not acceptable. Where such behavior is suspected it will be investigated and, where proven beyond reasonable doubt, legal and/or disciplinary action taken.

## WHAT IS FRAUD AND CORRUPTION

For the purpose of this Policy, fraud and corruption is defined as individuals and/or legal entities using deception with the intention of obtaining an advantage for him or her or for a third party or parties, avoiding an obligation, or causing loss to another party. It can involve both financial and non-financial benefits such as enhanced personal reputation, the acquiring of political capital or access to services. The definition applies to both external and internal frauds and/or corruption.

The terms fraud and corruption are used to describe offences such as, but not limited to, deception, bribery, forgery, extortion, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, and collusion. It also includes favouritism which means the unfair favoring of one person or a group at the expense of others and includes nepotism which is favoritism shown to relatives.

Examples of fraud and corruption are:

- Obtaining property, financial advantage or any other benefit by deception or abuse of authority granted by virtue of official position or duty (for example misuse of procurement rules).
- Using GWP funds for goods and services that have not been requested nor delivered
- Seeking to obtain confidential information about a colleague or other with intent to use it for unauthorized purposes.
- Knowingly providing and/or accepting false, misleading or incomplete information to GWPO or a GWP Regional or Country Water Partnership, their donors, partners, or other business relations, or deliberately failing to provide information where there is an obligation to do so.

## IMPLEMENTATION

The responsibility to enforce the Anti-Fraud/Corruption Policy is assumed by the GWPO Sponsoring Partners, GWP Steering Committee and Chair and the GWPO Executive Secretary. The GWP Steering Committee's Audit and Finance subcommittee shall at the end of each year receive a report from the Executive Secretary noting that all procedures and internal regulations in relation to the risk of corruption or fraud have been adhered to and implemented.

The Regional Steering Committees assume responsibility for ensuring that the GWP Anti-Fraud/Corruption Policy is implemented by Regional Water Partnerships. The Regional Water Partnership (s) shall at the end of each year receive a report from the Regional Coordinator(s) noting that no corruption and fraudulent acts have taken place in connection with any payments made by the Regional Water Partnership(s) to Country Water Partnership(s), or external consultants.

Maintaining and ensuring enforcement/compliance of a sound system of internal control, in practice, means that these responsibilities fall directly on line management. Furthermore, these

responsibilities involve all of GWPO staff members and staff of GWP Regional and Country Water Partnerships wherever located.

### **GWPO Management Team, and Regional/Country Coordinators**

The GWPO Management Team and Regional/Country Coordinators have specific responsibility to promote an anti-fraud/corruption environment and are responsible for:

- Distributing and explaining the Anti- Fraud/Corruption Policy to all GWPO employees, all individuals working for the GWP Network, all host institutions and all individuals/organisations contracted by GWPO or the GWP Network and (If needed, the Policy and related training materials should be translated into local language).
- Arranging for oversight and monitoring mechanisms and providing guidance on the measures to be taken by GWPO employees, all individuals working for the GWP Network, all host institutions and all individuals/organisations contracted by GWPO or the GWP Network in order to implement this policy.
- Ensuring all employees in GWPO and the RWPs/CWPs have the necessary competency development and/or training in order to comply with their obligations.
- Setting up mechanisms for reported incidents of actual or suspected fraud/corruption to be promptly and appropriately investigated and that appropriate legal and/or disciplinary action is taken against the perpetrators of actual or attempted fraud or corruption as well as those complicit in such acts. .
- Integrating the policy into all internal management procedures through GWPO and RWP/CWP management structures/resources.
- Reporting incidents of suspected fraud/corruption to the GWPO Executive Secretary/Chair of Steering Committee of the RWP/CWP.
- Continuously updating the Policy in line with current best practice.
- Arranging the necessary “atmosphere” in which to ensure compliance (e.g., there is an understood and accepted “zero-tolerance” rule vis-à-vis fraud/corruption, staff know how and to whom to address their concerns if fraud or corruption is suspected, etc.).
- Making sure all employees and consultants sign this Policy, acknowledging their understanding and compliance of it.
- Making certain this Policy, including the “Whistle Blower” e-mail and address (see below), is readily available to all staff.

### **Senior Officers’ and RWP/CWP Project Managers’ Responsibilities**

Senior Network Officers/Project Managers held accountable for projects, are responsible for:

- Assessing the types of fraud and corruption risk involved in the operations for which they are responsible.
- Ensuring that an adequate internal control exists within their areas of responsibility and that these controls are effective.
- Ensuring that all staff reporting to them fully understand the internal control system in place and that they adhere to these control procedures at all times.
- Regularly reviewing these control systems to ensure compliance and to satisfy themselves that the systems continue to operate effectively.

Senior Officers/Project Managers should be alert to the possibility that unusual events or transactions could be symptoms of fraud or corruption. Senior Officers/Project Managers should

ensure that satisfactory controls are in place and be alert to any “red flags” that come to their attention. Particular **examples** of such “red flags” are as follows:

- Unusual or inadequately documented payments.
- Purchases which have not passed through the normal procedure for obtaining estimates.
- Unjustified additional benefits and/or entitlements to employees.
- Excessive rates of remuneration paid to consultants.
- Regular use of the same consultants.
- Use of government officials as consultants or the provision of travel grants to government officials.
- Equipment or travel grants provided for individuals without justification.
- Excessive usage of fuel for vehicles, telecoms and/or travel expenses which are not justifiable.
- Sale of assets to third parties which do not follow laid down procedures.

Such activity may be highlighted as a result of specific internal checks or be brought to GWPO’s or RWP/CWP’s attention by a third party. Irregularities may also come to light in the course of an internal audit or during the annual year-end audit. **However, Senior Network Officers/Project Managers should not rely on the work of auditors to detect fraud.** The Senior Legal Officer and the Head of Finance and Administration is available to offer advice and assistance on control issues.

### Employee responsibilities

Every employee of GWPO or RWP/CWP has a duty to ensure that the organisation’s assets and funds are safeguarded and to report immediately if they suspect corruption or fraud or if they see any suspicious acts or events (see investigation section below). In addition, they should alert their line manager where they believe that the opportunity for fraud or corruption exists because of weak procedures or the lack of effective internal control. The employee should assist in any investigation by making available all relevant information and by co-operating in investigations (e.g., interviews, provision of documentation, etc).

Every employee and, where relevant, external consultant, must read and sign this Policy **on an annual basis**, stating that he or she has read, understands and commits to it. In addition, every employee must complete a Conflict of Interest Disclosure **on an annual basis**.

### Protection of Employees Who Report Misuse of GWP Assets

GWPO has put a whistle blower protection mechanism in place (see Internal Procedures and Investigation below). A whistle blower is someone notifying his or her surroundings (normally a line manager) about potential corruption or fraud taking place. All staff members must be encouraged to become whistle blowers if they detect possible fraud issues. The internal reporting of abuse is seen as a contribution to improving the functioning of the GWP Network and the desired transparency and accountability in relation to financial and programme management. Employees who in good faith report an abuse must be protected against unfair treatment. The whistleblowers can be pressured from the potential corrupt individual or supporters. To reduce this risk, employees can “blow the whistle” anonymously supported by the principle that the whistleblower is a witness, not a complainant.

An employee of GWPO or an RWP/CWP who has made a report of suspicious conduct and who subsequently believes he or she has been subjected to retaliation of any kind is directed to immediately report it to the GWPO Executive Secretary. Reports of retaliation will be investigated promptly in a manner intended to protect confidentiality as much as practicable, consistent with a

full and fair investigation. The party conducting the investigation (normally the Senior HR Officer) will notify the employee of the results of the investigation.

GWP strongly disapproves of, and will not tolerate any form of retaliation against employees or others who report concerns in good faith regarding GWP's operations. Any individual who engages in such retaliation will be subject to discipline up to, and including termination according to the disciplinary measures of the GWPO Staff Rules and Regulations or the Human Resources policies abided to by the RWPs and CWPs.

### **GWPO Internal Procedures**

GWPO has a number of procedures and mechanisms in place in order to minimize and prevent the risk of corruption and fraudulent acts. The following documents regulate how GWPO manages the receipt, transfer and management of its funds. The provisions in the guidelines and agreements shall be adhered to by all employees, in GWPO as well as within the RWPs and CWPs, and all host institutions.

1. GWPO Financial Guidelines
2. GWPO Decision procedure
3. GWPO Procurement Manual
4. GWPO Risk Management Strategy and Risk Register
5. Annual GWPO and RWP/CWP audits

All staff that are involved with the receipt, transfer or management of funds shall familiarize themselves with the provisions of the relevant documents above. In the event that a staff member suspects that the guidelines and rules are not being followed, then they shall either alert their line manager or contact GWPO at [legalofficer@gwp.org](mailto:legalofficer@gwp.org) or send a notice to Senior Legal Officer at GWPO, PO Box 24177, 104 51 Stockholm, Sweden Any such alert or notice can be made anonymously (“Whistleblower”).

### **Investigation**

Upon receipt of a notice, by the line manager or to GWPO, the Executive Secretary shall be informed immediately. The Executive Secretary shall immediately initiate an investigation of the alleged breach of guidelines or agreements, including breaches of this policy. The investigation shall be led by the Head of Finance, or another senior manager assigned by the Executive Secretary. The Executive Secretary shall also inform the Chair of the Audit and Finance Subcommittee.

The Executive Secretary, together with such person(s), shall decide on the necessary course of action in order to investigate the allegations. The findings of such an investigation shall be submitted to GWPO's external auditors for comment at least 2 weeks after the initial notice was received. The report shall set out findings and suggestions as to further action/steps if necessary. The final results of the investigation, as well as the external auditor's comments, shall be presented to the Executive Secretary who shall decide on any remedial action and/or disciplinary action against an employee/consultant, where relevant. Such action may include, but is not limited to, warnings, dismissal and/or legal action in the country where the fraudulent action or corruption has taken place.

### **External Relations**

In the event a fraud has been notified and an investigation has been carried out, regardless of the results, the Executive Secretary, together with the Head of Communications, shall decide upon a

communication strategy to prepare and disseminate messages regarding the event to funding partners, programme partners and/or other relevant third parties in order to clearly and transparently inform of the event(s) and how they were or will be remedied.