International Fund
for Public Interest Media

POLICY ON COUNTERING FRAUD AND CORRUPTION

Version:	1.0
Policy Owner:	Finance Director
Date of Audit & Finance Committee Approval:	August 2024
Review Schedule:	Every two (2) years
Most Recent Review:	August 2024
Next Review:	December 2026

1. Introduction

Fraud and corruption are unfortunately prevalent issues that can impede the International Fund from achieving its goals and mission. The International Fund recognizes that fraud and corruption, in all its forms, are a threat to the ability of the organizations it funds (its Grantees) to receive necessary support. Fraud and corruption divert funds and other resources away from media organizations and communities in need, limiting the International Fund's impact and reducing the trust that is essential to its multi-stakeholder model.

This Policy on Countering Fraud and Corruption (herein, the "Policy") states the International Fund's commitment to preventing, detecting, and responding to fraud and corruption.

2. Scope of Policy

This Policy applies to all of the International Fund's Employees and activities worldwide and includes the direct or indirect use of the International Fund's funds or resources from the time of receipt through to final deployment, partners (including Grantees and/or private sector partners), and any other implementing parties or contractual counterparts.

3. Compliance and Review

For Employees, this Policy constitutes an integral part of their terms and conditions of employment with the International Fund. An Employee's violation of this Policy may amount to misconduct and, as such, may result in disciplinary measures, including termination of employment, administrative sanctions, and/or other remedial measures, as appropriate and taken in accordance with applicable policies or, depending on the violation, referral to local authorities for possible criminal prosecution. The International Fund will also pursue any and all available recourse to recover any funds that may have been lost as a result of fraud or corruption.

This Policy may be amended or revised as needed and appropriate. From time-to-time, the International Fund may promulgate operational directives, procedures, and guidelines consistent with the Policy, in order to apply, interpret, and give effect to its provisions.

4. Definitions

Bribery: The ‘supply’ side of corruption (see below) which involves the giving or offering, whether directly or indirectly, of anything of value to improperly influence the actions of another party. Facilitation payments may be a form of bribery.

Corruption: The misuse of one’s entrusted position of responsibility by receiving or soliciting, whether directly or indirectly, anything of value for private benefit. Whereas bribery is the ‘supply’ side of corruption, the corrupt act is the ‘demand’ side of the transaction. Kickbacks and nepotism are also forms of corruption. Undeclared Conflicts of Interest can introduce the possibility of corruption (for more, see the policy on Conflicts of Interest).

Embezzlement: The theft or misappropriation of resources over which one is put in a position of trust (e.g. as an employee or fiduciary agent).

Employee: For the purposes of this Policy, an Employee is any person holding an appointment to a position with the International Fund, regardless of the duration or nature of their appointment (i.e., full-time, part-time, fixed-term, or temporary), and duty station or grade, as well as to others working for the International Fund under other types of contractual arrangements, including consultants and interns.

Fabrication: Where fake/forged products or documents are passed off as legitimate. Fabrication may be committed as part of a fraud.

Financing of Terrorism: The provision or collection of funds, by any means, directly or indirectly, with the intention that they should be used, or in the knowledge that they are or will be used, in full or in part, to benefit individuals and entities subject to sanctions imposed by the United Nations Security Council or that appear on the United Nations Security Council Consolidated List or any others applicable through legislation or donor arrangements.

Fraud: The use of deception — whether by act or omission — to dishonestly or recklessly obtain a gain or advantage and/or create a loss or disadvantage for another party.

Line Manager: The direct manager of an Employee.

Money Laundering: The act of receiving, transferring, hiding, concealing, using, or otherwise handling the proceeds of any financial crime (including all those specified within this Policy where the person conducting the activity knows or suspects that the money is derived from criminal activity).

Theft: The taking of another's property without permission with the intent to permanently deprive the other thereof. It can include non-tangible items such as information or intellectual property.

5. Anti-Fraud and Anti-Corruption Cycle: Prevention, Detection, Response

As a funding entity, the International Fund's programs and activities are inherently exposed to risks of fraud and corruption. The International Fund's actions may be scrutinized by donors, capital markets, recipients, the media, and the general public. The organization must demonstrate awareness, understanding, and responsiveness to these risks.

5.1. Prevention

This Policy cannot be exhaustive in providing guidance on preventing fraud in every and all aspects of the International Fund's operations, but the following are examples of activities where International Fund Grantees and other partners can contribute to reducing fraud risk:

(a) Promoting an organizational culture that prioritizes diligence, integrity, and commitment to achieving shared objectives.

(b) Encouraging others to challenge potential breaches of rules and helping them feel able to report suspicions of misconduct in confidence and with organizational support.

(c) Designing and maintaining effective controls through proper management authorizations and other segregations of duties that cannot be bypassed without being identified and questioned.

(d) Proper budgeting and design, application, and monitoring of procurement procedures which can be subject to multiple forms of manipulation. Purchasers, accounting staff, recipients of the International Fund's funding, and also its suppliers can each act diligently to prevent fraud and collusion.

(e) Minimal and considered use of cash transactions and cash transfers, which are at enhanced risk of fraud and theft.

(f) Ensuring any procurements are conducted fairly and objectively.

(g) Reporting instances of potential fraud arising from outside the organization, e.g. cyber-attacks which could expose the organization to fraud or other illicit conduct.

5.2. Detection

5.2.1. Any International Fund Grantee, partner, or Employee who becomes aware of or suspects fraudulent or corrupt activity should report it in accordance with their organization's procedures, and/or to the Finance Team of the International Fund. 'Red flags' (indicators of potential fraud or corruption) should also be reported to enable the Finance Team or relevant management to make a judgment on whether further action may be needed.

5.2.2. Reports can also be made via a dedicated Whistleblowing Hotline. Such reports can be made anonymously or confidentially. Further details are described in the **Policy on Whistleblowing and Protection from Retaliation**.

5.2.3. International Fund Line Managers are also responsible for addressing suspected fraud or corruption identified within their areas of responsibility in accordance with the policies and procedures of the International Fund.

5.2.4. The General Counsel will normally commission and oversee any necessary investigations into allegations of fraud or corruption.

5.3. Response

5.3.1. Upon receipt of any information in relation to possible fraud or corruption, the General Counsel will lead the assessment of the content and credibility of the information and decide upon a response. Considerations include the activity reported, impact on the affected program or the International Fund activity, persons involved, type or method of the alleged fraud or corruption, and the value thereof.

5.3.2. Where the information is relevant and credible, response options may include obtaining further information; progressing to a full investigation; referral to another party (including law enforcement authorities); or retaining information. The source of the information will be kept confidential to the extent possible and in accordance with applicable policies.

5.3.3. A response to fraud should inherently include an analysis of what led to its occurrence and should seek to address those issues. This may include action against individuals but may also include a review of any procedures and controls that were exploited to prevent a recurrence. Consideration should also be given to whether controls elsewhere need strengthening to prevent them being similarly exploited.

5.3.4. The General Counsel may commission investigations internally or with governments and partners in accordance with applicable contractual rights and memoranda of understanding.

5.3.5. On conclusion of an investigation, and where it is found that there has been an incidence of fraud, corruption, or related misconduct, the International Fund may pursue sanctions, including through disciplinary measures and/or referral to relevant authorities for prosecution and recovery of losses through civil and/or criminal means.