

Policies and Procedures Reference No.	COMPL-01.2
Policy Title	Policy on Zero Tolerance for Fraud, Corruption, Bribery or Other Forms of Dishonesty Relating to Agency Operations and Related Policies and Procedures (“Zero Tolerance Policy”)
Category	Fraud and Compliance Issues
Author	Risk and Compliance Officer
Vice President with Oversight	Vice President and General Counsel
Approver	Senior Management Team
Purpose and Description	These policies and related procedures describe Save the Children’s “Zero Tolerance” approach to fraud, corruption, bribery or other forms of dishonesty relating to Agency operations, and reinforces our commitment to the highest standards of governance, fiduciary duty, responsibility and ethical behavior.
Compliance Requirement	<input type="checkbox"/> Statute: <input checked="" type="checkbox"/> Regulation: 48 C.F.R. Section 9.4; 2 C.F.R. 200.113 <input type="checkbox"/> Industry Standards: <input type="checkbox"/> Not Applicable
Audience	<input checked="" type="checkbox"/> SCUS <input checked="" type="checkbox"/> All Head Start <input checked="" type="checkbox"/> SCAN <input checked="" type="checkbox"/> Sub-awardees, partners, vendors, suppliers, consultants and others with whom we provide assets in exchange for services or products (collectively, “Partners”)
Effective date	June 29, 2015
Revision date	June 29, 2018
Retirement Rationale	N/A

## **POLICIES**

### **1. Zero Tolerance Policy**

We have a **zero tolerance** policy with respect to fraud, corruption, bribery and other forms of dishonesty relating to Agency operations committed or attempted by all individuals and organizations covered by this policy. Every instance of fraud, corruption, bribery or other forms of dishonesty relating to Agency operations can undermine the viability of our organization, compromise the delivery of our services, breach the trust we have among our stakeholders, and diminish our impact for children. SCUS treats an attempted act of this kind of misconduct as seriously as an accomplished act.

Save the Children will therefore take all practicable steps to:

- Maintain this policy and an appropriate management framework that supports compliance with relevant regulations, laws, and our zero tolerance approach.
- Raise awareness of the policy and provide appropriate training for staff.
- Investigate allegations and incidents of fraud, corruption, bribery or other dishonesty relating to Agency operations and, where misconduct is deemed to have occurred, to take all appropriate actions, including legal, administrative or disciplinary proceedings (including termination), if appropriate, against those individuals or organizations covered by this policy.
- Comply with regulatory and other legal and donor requirements, including the reporting of any misconduct, and all steps as appropriate to recover financial losses.
- Review systems and procedures to prevent similar misconduct, and to ensure our commitment to integrity and accountability.

All employees and agents of SCUS who suspect any type of behavior that is inconsistent with this policy is occurring, has occurred, or may occur must report it in accordance with the “Reporting Fraud, Corruption, Bribery or Other Dishonesty Relating to Agency Operations” Procedure herein.

### **2. Policy on Accountability of SCUS Management**

SCUS Management is committed to taking all appropriate corrective actions, including disciplinary, legal or other actions, in light of any findings of fraud, with respect to relevant individuals (including those who committed fraud and/or anyone who knew of such fraud but failed to act), and take steps following any incidents of fraud to review controls and protocols to identify and address any gaps or weaknesses.

### **3. Policy on Whistleblower Protections**

SCUS will not take any action against a person making an allegation of fraud, corruption, bribery, or dishonesty in good faith. A report of misconduct or concern may be made without fear of harassment, demotion, dismissal, disciplinary action, remedial action, suspension, threats or any method of retaliation by any party.

Any knowingly false or malicious allegations may, however, result in disciplinary action against the employee making the false allegation.

## PROCEDURES

<p>I.</p>	<p><b>Prevention and Awareness of Fraud, Corruption, Bribery or Other Dishonesty Relating to Agency Operations</b></p> <p>All SCUS, SCAN and Head Start (collectively, “SCUS”) staff, interns, volunteers, and representatives covered by this policy must:</p> <ul style="list-style-type: none"> <li>a) Read and comply with this Policy. Failure to comply with the Zero Tolerance Policy will be treated as a serious matter and may result in disciplinary or legal measures being taken. If you are aware of any allegations of misconduct, you must report it as described below in the Procedure “<b>Reporting of Fraud, Corruption, Bribery or Other Dishonesty Relating to Agency Operations.</b>”</li> <li>b) Behave in an honest manner while carrying out SCUS’s work and avoid even the appearance of impropriety.</li> <li>c) If you have reason to believe something is inaccurate in a document you are signing or distributing, you have an obligation to find out whether it is inaccurate and correct it, or report the concern to your supervisor.</li> <li>d) Ensure that you follow all appropriate SCUS policies and procedures to minimize the chance of dishonest behavior occurring. SCUS policies and procedures are created specifically to minimize fraud or unethical or illegal conduct.</li> <li>e) Familiarize yourself and comply with the “Conflict of Interest” provisions in the Code of Ethics and Business Conduct. Any supervisor made aware of a reported conflict of interest should consult with the Risk and Compliance Officer to ensure any conflicts are adequately mitigated. Evidence of the disclosure of the conflict of interest and the mitigation measures must be kept on file. For more information on how to identify and handle real or apparent conflicts of interest, refer to the Code of Ethics and Business Conduct.</li> </ul> <p>Managers at all levels are responsible for ensuring those reporting to them are made aware of and understand this Policy and are given trainings as described above.</p>
<p>2.</p>	<p><b>Reporting of Fraud, Corruption, Bribery or Other Dishonesty Relating to Agency Operations</b></p> <p>A. <u>Reporting of Fraud, Corruption, Bribery or Other Dishonesty Relating to Agency Operations within SCUS</u></p> <p>SCUS staff, interns, volunteers, and representatives covered by this policy must report to their direct supervisor as soon as practicable any suspicion of misconduct covered by this policy relating to or having a nexus with SCUS programs or operations. If you feel you cannot raise the concern with your direct supervisor for any reason, you should contact the senior manager of your team or department. Alternatively, if you feel that you need to raise the issue outside your immediate team, you can report the matter confidentially to the Risk and Compliance Officer at <a href="mailto:hotline@savechildren.org">hotline@savechildren.org</a>, file an anonymous report on-line at <a href="http://SaveTheChildren.EthicsPoint.com">SaveTheChildren.EthicsPoint.com</a> or anonymously via phone <b>844-287-1892</b> (in the US). If you are outside of the US and would like to</p>

	<p>report by phone, go to <a href="http://SavetheChildren.EthicsPoint.com">SavetheChildren.EthicsPoint.com</a> for a full listing of contact numbers by country.</p> <p>Failure to report a reasonable suspicion of misconduct in accordance with this Policy will be treated as a serious issue and may result in disciplinary action being taken.</p> <p>Any manager who receives a report of any allegation of fraud, corruption, bribery and other forms of dishonesty relating to Agency operations must forward the report as soon as practicable to the Risk and Compliance Officer at <a href="mailto:hotline@savechildren.org">hotline@savechildren.org</a> or file a report on-line at <a href="http://SavetheChildren.EthicsPoint.com">SavetheChildren.EthicsPoint.com</a>.</p> <p>The Risk and Compliance Officer, and in his/her absence, the General Counsel, will report matters to regulators, auditors, the board/board Audit Committee, and law enforcement on behalf of Save the Children, as appropriate.</p> <p><b>Please note that when travelling or working overseas in SCI offices, you may also be required to report to SCI, and you should consult with Risk and Compliance Officer or General Counsel to confirm. However, you must also report any incidents or suspicions to SCUS as soon as practicable.</b></p> <p>B. <u>Reporting Fraud, Corruption, Bribery, or Other Dishonesty Relating to Agency Operations to Management and Oversight Entities</u></p> <p>The Risk and Compliance officer is responsible to immediately report credible allegations of fraud, corruption, bribery or other dishonesty relating to Agency operations to the relevant donor consistent with the applicable award conditions or regulatory or statutory requirements. The Risk and Compliance Officer also is responsible to report credible allegations of such misconduct to the appropriate entities within SCUS as soon as practicable.</p> <p>On a semi-annual basis, the Risk and Compliance Officer shall report all pending cases to the Senior Management Team and the Audit Committee of the Board of Trustees. The Risk and Compliance Officer shall immediately report all Exceptional Cases, as defined below, to the Senior Management Team and the Audit Committee of the Board of Directors.</p>
<p>3.</p>	<p><b>Investigating and Follow-up of Fraud, Corruption, Bribery, or Other Dishonesty Relating to Agency Operations</b></p> <p>SCUS takes every allegation of fraud, corruption, bribery or other dishonesty relating to Agency operations seriously. The Risk and Compliance Officer (or in his/her absence, the General Counsel) is responsible to ensure all credible allegations relating to SCUS activities are logged and tracked in the SCUS central database.</p> <p>The Risk and Compliance Officer is tasked with following up with the other involved SCUS personnel to ensure all allegations are properly investigated and all appropriate corrective action and remedial measures are taken, including reimbursement to donors.</p> <p>Prior to the commencement of any investigation, the Risk and Compliance Officer should be consulted to discuss the nature of the allegation and the planned investigation. Exceptions to this requirement are permissible only under exigent circumstances, and require following the “Exceptions Approval Procedure” provided below.</p>

	<p>SCUS shall establish “Compliance Champions” who are trained on the specifics of the processes around fraud awareness, detection and investigation and will coordinate with the Risk and Compliance Officer, and others as appropriate, when conducting any fraud investigation.</p> <p>SCUS staff, interns, volunteers and representatives covered by this policy must:</p> <ul style="list-style-type: none"> <li>a) Cooperate fully with any investigation or inquiry by SCUS.</li> <li>b) Preserve all records relating to any alleged fraud.</li> </ul> <p><b>Investigation in “Exceptional Cases”:</b> In cases where the allegations relate to a member of the Extended Senior Management Team, where the potential loss exceeds \$50,000, or other exceptional cases (collectively, “Exceptional Cases”), the Risk and Compliance Officer shall consult with the General Counsel and others within the Senior Management Team, as appropriate, on how the investigation should proceed, including to determine whether SCUS should retain an external party to investigate the allegations.</p>
4.	<p><b>Training</b></p> <p>All SCUS staff must undertake an initial training on the Zero Tolerance Policy and the SCUS Code of Conduct and Business Ethics within the first six months after induction to SCUS, and/or within the first three months following the promulgation of this policy, and must take refresher trainings every two years.</p> <p>In addition, all SCUS staff must take fraud training and awareness classes, as requested, and familiarize themselves with related SCUS (and, where applicable, SCI) policies. The Risk and Compliance Officer is responsible to ensure these trainings are provided.</p>
5.	<p><b>Rules and Procedures Relating to SCUS Partners</b></p> <p>SCUS’s Partners (defined as sub-awardees (excluding Save the Children International), vendors, suppliers, consultants and others with whom we exchange anything of value for services or products) must:</p> <ul style="list-style-type: none"> <li>a) Not commit fraud, corruption, bribery or other otherwise behave in a dishonest manner while carrying out work on behalf of or in connection with SCUS.</li> <li>b) Act in accordance with the spirit of this Policy.</li> <li>c) Immediately report any suspicion of fraud, corruption, or dishonesty in whatever form relating to its work with SCUS to their SCUS key contact. Alternatively, reports may be made directly to SCUS’s Risk and Compliance Officer at <a href="mailto:hotline@savechildren.org">hotline@savechildren.org</a>, or anonymously at <a href="http://SavetheChildren.EthicsPoint.com">SavetheChildren.EthicsPoint.com</a> or anonymously via phone <b>844-287-1892</b> (in the US). If you are outside of the US and would like to report by phone, go to <a href="http://SavetheChildren.EthicsPoint.com">SavetheChildren.EthicsPoint.com</a> for a full listing of contact numbers by country.</li> <li>d) Cooperate fully with any investigation or inquiry by SCUS.</li> <li>e) Preserve records required for an investigation.</li> </ul>

	<p>f) Implement measures sufficient to ensure that their employees and sub-contractors comply with this Policy.</p> <p>g) Agree to fully and timely reimburse SCUS for all liabilities, losses, costs, penalties, charges or other amounts incurred by SCUS due to a violation or breach by a Partner of this Policy.</p> <p>All agreements with Partners (as defined above) must include this Policy as an addendum and must include a provision in which the Partner agrees to comply with this Policy (subject to the Exception Approval Procedure contained herein).</p>
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## TRAINING REQUIREMENTS

Training Course	Who?	Frequency	Training moment
Zero Tolerance Policy and the SCUS Code of Ethics and Business Conduct	All	Upon induction, and then every two years	First six months after induction or within three months following the promulgation of policy
Fraud Awareness and Prevention	Extended Senior Management Team, Finance staff, Award Managers, Compliance Champions, and as requested by supervisor	Within six months following promulgation of this policy, upon induction as Compliance Champion, and then every two years	Within six months following promulgation of this policy, upon induction as Compliance Champion
Fraud Investigation Basics	Compliance Champions and others designated to conduct investigations	Upon designation, and then every two years	Within six months of designation

## MONITORING MECHANISMS

What are you monitoring?	Data source	Action Owner	Escalation levels	Frequency
Policies and procedures are being communicated to relevant audience	Attestation Exception Aging Report from the Policies and Procedures Management System	Policies and Procedures Management System Administrator	Vice President(s) whom the relevant persons report to.	Annual
Relevant Trainings	Human Resources training tracker	Human Resources	Vice President(s) who has oversight of the policies and procedures manual(s).	Annual

## EXCEPTION APPROVAL PROCEDURE

Procedure/ Action	Action Owner
Exceptions to this policy requires written approval by the Chief Operating Officer	Person seeking exception to policy
File and retain exception approval	Policies and Procedures Management System Administrator

## VERSION CONTROL

Version number	Version Date	Revisions made
COMPL-01.2	June ____, 2015	Revision of existing Zero Tolerance Policy
COMPL-01.1	November 23, 2013	