



PLAN INTERNATIONAL CANADA ANTI-FRAUD, ANTI-BRIBERY AND CORRUPTION POLICY

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Review Date	This Policy shall be reviewed as deemed appropriate but no less frequently than 5 years following the last date of approval.

1. PURPOSE

To ensure that Plan International Canada Inc. (“**Plan Canada**”) continues to have high standards of accountability, transparency, legislative compliance¹, and compliance with our Institutional Donor Agreements, this *Anti-Fraud, Anti-Bribery and Corruption Policy*² seeks to provide clear guidance on our organizational framework for addressing the risks of fraud and corruption.

It sets out the specific responsibilities of Associates with regard to the risks of fraud, bribery and corruption. It is also a clear demonstration of our commitment to the promotion of a culture of integrity and transparency at Plan Canada.

2. APPLICATION

All Plan Canada Associates are required to comply with this Policy, without exception.

The principles and definitions in this *Policy* also extend to Plan Canada’s relationships with third parties, including, without limitation, implementing partners, contractors, government officials and donors.

3. DEFINITIONS

For the purposes of this Policy:

“**Associates**” refers to all Plan Canada Employees, Board members, volunteers, students, interns, consultants, contractors and representatives of partner organizations engaged by Plan Canada.

“**Board**” refers to the Board of Directors of Plan Canada.

“**Bribery and Corruption**” involves the attempted or actual complicit exchange of private gain and abuse of entrusted authority. This includes offering, promising, giving, accepting or soliciting money, a gift or other private advantage as an inducement to, or reward for doing something that is illegal, an abuse of power or authority, a breach of

¹ See, for example, the *Corruption of Foreign Public Officials Act*, S.C. 1998, c.34, which deals with the corruption of foreign public officials in international business transactions. See also the *Canadian Criminal Code* which prohibits anyone from giving or offering a loan, reward, advantage or benefit of any kind to a federal or provincial government official in Canada as consideration for cooperation, assistance, exercise of influence, or an act or omission in connection with any government business.

² As an entity bound by the *Global Anti-Fraud, Anti-Bribery and Corruption Policy*, Plan Canada is required to enact its own policies and procedures to enable our Employees and Associates to comply with the *Global Policy*. Plan Canada has developed this *Anti-Fraud, Anti-Bribery and Corruption Policy* for this purpose.

trust or duty, or is otherwise improper, in the course of carrying out an organization's activities. Corruption can include nepotism or favouritism. Neither fraud nor corruption are restricted to monetary or material gain (of any size) but could also include intangible benefits such as status or information and can be for the benefit of an individual or interest group.

“Employee” means a person who has entered into an employment relationship with Plan Canada including full-time and part-time, permanent and temporary employees.

“Fraud” is civil or criminal deception, intended for unfair or unlawful financial or personal gain or to cause loss to another party, such as by misappropriation of assets, abuse of position, collusion, false representation and/or prejudicing someone's rights. Additionally, acts of theft are included within the scope of this *Policy*.

“Institutional Donor” refers to an organization that enters into a grant funding agreement with Plan Canada, including governmental and inter-governmental organizations, private foundations or other grant-giving non-governmental organizations.

“PII” refers to Plan International, Inc., including Global Hub in the UK (operating through its UK subsidiary Plan Limited) and all country offices, regional hubs, liaison offices, and any other offices some of which operate as branches and some as subsidiaries.

“Plan International Entities” refers to PII, National Organizations and all other entities that agree to be bound by Global Policies.

4. POLICY STATEMENT

Plan Canada has a policy of zero tolerance of fraud and corruption. We require our Associates to act honestly and with integrity at all times, and to safeguard the assets for which they are responsible. Fraud and corruption are ever-present threats to our assets and reputation, and so must be a concern of all our Associates.

We take very seriously any actual or attempted act of fraud or corruption by Associates, or other third parties or their employees or agents acting on our behalf. Associates involved in actual or attempted fraud or corruption of any kind will be subject to disciplinary action up to and including termination of employment or engagement, and, will normally be reported to law enforcement authorities for criminal prosecution whenever practical. We will endeavour to recover by any and all legal means, any funds lost through fraud from those responsible and will take robust action against involved third parties (including partners, contractors and agents).

We are committed to preventing fraud and corruption and developing an anti-fraud and anti-corruption culture. To achieve this, we will:

- develop, maintain and consistently apply effective controls to prevent fraud and corruption at all levels;
- ensure that if fraud or corruption occurs, a vigorous and prompt investigation takes place, and that reports are shared with stakeholders as appropriate;
- take appropriate disciplinary and legal action in all cases, where justified;
- take all appropriate and reasonable steps to recover any financial losses;
- review systems and procedures to prevent similar frauds or acts of corruption;
- ensure fraud and corruption risks are taken into consideration in program planning;
- report material incidents to our Institutional Donors as required;
- report particulars of individuals or entities convicted in a court of law of fraud against us, to our Institutional Donors as required; and
- publish this *Policy* on the publicly available Plan Canada website.

We acknowledge that some changes to the investigation procedures may be made, on a case by case basis, where required by our Institutional Donors under the terms of a grant agreement. See *General Guidelines* in **Appendix A**.

6. ROLES AND RESPONSIBILITIES

The roles and responsibilities for the implementation and management of, and compliance to this Policy are as follows:

1. ASSOCIATES shall:

- Act with propriety in the use of the assets and resources of Plan Canada and other Plan International Entities;
- Conduct themselves in accordance with the principles set out in the Plan Canada *Code of Conduct*, including:
 - Declaring, at the earliest opportunity, any actual or apparent conflict of interest having a bearing on their responsibilities;
 - alerting People Leaders (in the case of Employees), the Board Chair (in the case of Board members) or their Managerial liaison (in the case of other Associates) where they believe the opportunity for fraud or corruption exists;
 - reporting details immediately to their People Leader (in the case of Employees), the Board Chair (in the case of Board members) or their Managerial liaison (in the case of other Associates) of any suspected or actual fraud or corruption; and/or any suspicious acts or events which might give rise to a suspicion of fraud or corruption; and
 - assisting in any investigations by making available all relevant information and by cooperating in interviews.

If for any reason an Employee does not feel able to report a suspected fraud or corruption incident to their People Leader, a more senior manager up to and including the CEO or Board Chair should be informed. Employees and other Associates still unwilling to report internally may alternatively use the independent *Safecall* confidential misconduct reporting facility. (See **Appendix “A”** for *Safecall* contact information.)

2. PEOPLE LEADERS’ RESPONSIBILITIES

The day-to-day responsibility for the prevention and detection of fraud and corruption rests with its People Leaders who are responsible, within their functional areas, for:

- identifying the risks to which systems, operations and procedures are exposed;
- developing and maintaining effective controls to prevent and detect fraud and corruption; and
- ensuring that controls are being implemented.

3. PLAN CANADA’s CEO (or delegate) is responsible for:

- Reporting fraud incidents affecting Plan Canada to the Chair of the Plan Canada Board or Chair of its Finance and Audit Committee as appropriate.
- In the CEO’s discretion, directing or delegating an internal investigation and/or referring the matter to local, provincial or Canadian law enforcement authorities if the matter is wholly contained within Canada and does not involve any PII employees outside of Plan Canada. The CEO may also commission any investigation to PII’s Head of Counter Fraud.
- Ensuring that all cases of suspected and/or alleged fraud, which involve, affect or may affect Plan International Entities, are reported at the earliest opportunity to PII’s Head of Counter Fraud using the standard incident report mechanism in place.³ The Head of Counter Fraud will respond with advice and guidance as required. Investigations (except those wholly contained within Plan Canada as noted above) must not be commissioned prior to reporting.
- Responding to recommendations made in consequent investigation reports.
- Ensuring that Plan Canada Associates and relevant third parties are made explicitly aware of this Policy, supplementary Procedures and Guidelines, and their responsibilities hereunder, in training including that to be provided to all new Employees as part of the orientation process. Employee training should be refreshed every 2 years, with more in-depth training and specific training as required.
- Ensuring that there is a process in place for reporting incidents of fraud and corruption to Institutional Donors as required.

4. PLAN CANADA’s RISK MANAGEMENT RESOURCES

The *Global Anti-Fraud, Anti-Bribery and Corruption Policy* establishes the 3 roles defined below within PII and requires that the equivalent responsibilities of these 3 roles are assigned to designated staff with the National Organization. The *Global*

³ Phishing attacks and other third-party email fraud attempts do not require reporting unless a financial loss or reputational damage has ensued.

Anti-Fraud, Anti-Bribery and Corruption Policy further requires that the National Organization maintain a documented record of these responsibilities.

PII Role	Plan Canada Equivalent
The PII Executive Director of Finance and IT is responsible for establishing the internal control system designed to counter the risks of fraud and corruption and ensuring the adequacy and effectiveness of this system.	Vice President, Finance
The PII Director of Global Assurance is responsible for: <ul style="list-style-type: none"> <input type="checkbox"/> ensuring that the risks of fraud and corruption have been properly identified and assessed by management; <input type="checkbox"/> assessing that the internal control framework has been properly designed to address the risks of fraud and corruption, and that it is working effectively; and <input type="checkbox"/> ensuring that there are arrangements in place for the prompt and proper investigation of all actual, suspected and alleged fraud or corruption to a consistent standard. 	Chief Operating Officer
The PII Director of Governance & Executive is responsible for ensuring that the assessment of fraud and corruption risks forms part of PII's overall and ongoing risk management process.	Chief Operating Officer

5. PLAN CANADA's BOARD is responsible for:

- the overall governance of Plan Canada and ensuring that a framework exists to support its compliance with its *By-laws*, applicable legislation and policies (including Global Policies); and
- ensuring that Management has measures in place to ensure the adequacy and quality of Plan Canada's internal financial and operational controls.

6. PLAN CANADA's FINANCE AND AUDIT COMMITTEE is responsible for:

- considering and reviewing matters related to the control environment and financial risk management within Plan Canada including:
 - reviewing the reports of management and internal audit on the scope and effectiveness of the systems for financial control, financial reporting and risk management;
 - assessing the scope and effectiveness of the internal control systems established by Management to identify, assess and manage financial and non-financial risk;
 - reviewing its procedures for preventing and detecting fraud;
 - recommending policies of internal control over disbursing funds to the Board for its approval; and
 - reviewing and discussing with Management the annual insurance renewals, including D&O liability insurance, including an understanding of premiums to ensure coverage of appropriate risks.

APPENDIX A - GENERAL GUIDELINES

We value long-lasting relationships, and we deal with our program participants, suppliers, program partners, regulators, governmental agencies, public officials, political figures, and other stakeholders based on merit, professionalism, trust, and integrity - never illicit payments, unlawful “favours” or other actions that could expose us to the many risks of financial loss, operational impairment, dependency, blackmail, extortion, legal sanction and reputational harm.

- “DO NOTs”** - We prohibit all forms of fraud and corruption with a zero-tolerance policy.

Do not make or receive any payments or gifts, or provide or receive other favours, to or from any public official, political figure, representative of a regulatory body or government agency, donor nor to or from any of our suppliers, program partners or any other party (whether public or private) in order to *influence or reward* any act or decision to grant a license or regulatory approval, obtain or retain business, or to seek any other unlawful or improper purpose of advantage.

- This prohibition excludes gifts and hospitality of minor value which are in keeping with general business practices and which are not subject to reasonable interpretation as an improper inducement. In our discretion, we will maintain a registry of gifts and hospitality.
- “DOs”** - In critical situations, act as follows:
 - Ignore or reject any hints at committing an act of fraud or corruption;
 - Try to have someone as your witness to support you;
 - Agree to nothing improper, even if the suggestion includes a “charitable donation”; and
 - Maintain fair and accurate records, documenting the details of any requested, attempted or actual act of fraud or corruption, as soon as possible after the event.
 - Apply appropriate judgment and due diligence in each situation.
- “IF YOU SEE SOMETHING, SAY SOMETHING”**
 - Report all suspected, requested, attempted or actual acts of fraud or corruption to your own or other People Leader, or use the *Safecall* confidential reporting service.

CONTACT: The contact information of Safecall is:

Telephone: 1-877-599-8073

Report online at: www.safecall.co.uk/report

E-mail: plan@safecall.co.uk

‘Red Flags’

The following examples of general ‘red flags’ (which is not an exclusive list) may raise suspicion and be helpful indicators of fraud and corruption risk:

- Financial record-keeping and accounting discrepancies, such as:
 - absent, vague, inconsistent or false transaction descriptions or account

- allocations;
- absent, false or unusual record of the identity of the payee, agent, or counterparty;
- excessive or unusually high compensation without supporting detail;
- unusual payment patterns or structures, use of shell companies or other financial arrangements;
- general purpose or miscellaneous accounts that can be used to hide improper payments; or
- over-invoicing; false or inaccurate invoices, travel and/or expense forms; unrecorded accounts or transactions;
- A third party does not appear to be qualified to perform the duties for which it is engaged;
- A third party refuses to certify, or provide information about its governmental relationships to verify, its compliance with anti-corruption requirements;
- Requests for commissions to be paid in a third party country, to a third party, or in cash or untraceable funds;
- Heavy reliance by a party on political or government contacts as opposed to knowledgeable staff and investment of time to promote our interests;
- A desire to keep third party representation secret;
- Lack of written agreements, anti-bribery policies, training or code of conduct at target company; or
- Misrepresentation or failure of the target company to cooperate in the due diligence process.
- Fundraising campaigns generate a significantly lower income than anticipated
- See also **Annex “A”** for Additional Common Examples of Fraud.

Specific Risks related to Plan International’s Operations

Plan International’s diverse international operations are exposed to risks of fraud and corruption. This requires all Associates to be aware of and adhere to the following standards:

- **Gratuities:** It is against our policy for any Associate to incur expenditures for the provision of gifts, travel, entertainment or other gratuities to external parties, with the limited exception of nominal hospitality charges covering external guests’ attendance at official events, where such hospitality does not create even the appearance of impropriety or influence over the objectivity of decision-making. This does not include circumstances where we are paying the expenses of an external party (such as an influencer) engaged to promote our work.
- **Government officials:** We must sustain collaborative relationships of integrity with diverse governmental bodies, to enter the respective countries, establish offices, hire local and foreign nationals, raise funds, conduct program activities, and maintain tax-exempt status. Accordingly, we shall not induce or reward inappropriate public administration. In particular:
 - **Facilitation payments** are payments made to government officials to perform or expedite an existing duty or administrative process where the outcome should already be pre-determined. Under applicable legislation, a facilitation payment is considered a form of bribery, which is therefore

prohibited with a 'zero tolerance' policy. Employees should be alert to the risk that such payments are sometimes included, but hidden, within agency fees. Transparent 'per diem' payments are not considered as facilitation.

- **Programming activities:** particularly when government agencies are involved in the planning and coordination of programming activities, e.g., in disaster response and large infrastructure projects, individual government process around third-party procurement, sub-contracting, partner selection and payment. Unless the respective grant-funding contract explicitly provides for such governmental involvement, we shall make such decisions objectively independent of any such attempted influence.
- **Procurement and partnerships:** When engaging with external stakeholders such as in procurement and programming partnerships, Plan Canada Associates shall follow Plan Canada's *Procurement Policy and Procedures*.
- **Duress:** Circumstances may arise in which payments are made to protect against an imminent threat to the life, health, safety or liberty of an Associate or those around them. Associates making a payment under such extreme duress must report the incident but will not be subject to sanction.
- **Unfounded allegations:** Allegations and suspicions reported in good faith will never result in adverse consequences for the reporter whatever any ultimate findings reveal. However, allegations found to be deliberately malicious or vexatious allegations against innocent parties constitute serious misconduct and will be treated as such.

Further Resources

Transparency International links:

– Preventing Corruption in Humanitarian Operations:

http://www.transparency.org/whatwedo/pub/handbook_of_good_practices_preventing_corruption_in_humanitarian_operations

- Anti-Bribery Principles and Guidance for NGOs:

<https://www.transparency.org.uk/publications/anti-bribery-principles-and-guidance-ngos>

ANNEX “A” - COMMON EXAMPLES OF FRAUD

This *Annex “A”* sets out common types of internal fraud and some of the methods through which they may be perpetrated.

1. FINANCE RISKS

Asset Misappropriation

Theft of cash

- Skimming of cash before recording revenues or receivables (understating sales or receivables).
- Stealing incoming cash or cheques through an account set up to look like a bona fide payee.

False payment requests

- Employee creating false payment instruction with forged signatures and submitting it for processing.
- False email payment requests together with hard copy printout with forged approval signature.
- Taking advantage of the lack of time which typically occurs during book closing to get false invoices approved and paid.

Cheque fraud

- Theft of Plan Canada cheques.
- Duplicating or counterfeiting of company cheques.
- Tampering with Plan Canada cheques (payee/amount).
- Depositing a cheque into a third party account without authority.
- Cheque kiting (a fraud scheme using two deposit accounts to withdraw money illegally).
- Paying a cheque to Plan Canada knowing that insufficient funds are in the account to cover it.

Billing schemes

- Over-billing.
- Recording of false credits, rebates or refunds.
- Pay and return schemes (where an employee creates an overpayment to a supplier and pockets the subsequent refund).
- Using fictitious suppliers or shell companies for false billing.

Misuse of accounts

- Wire transfer fraud (fraudulent transfers into bank accounts).
- Unrecorded sales or receivables.
- Employee account fraud (where an employee is also a customer and the employee makes unauthorized adjustments to their accounts).
- Writing false credit note to customers with details of an employee’s personal bank account or of an account of Plan Canada controlled by the employee.
- Stealing passwords to payment systems and inputting series of payments to own account.

Improper revenue recognition

- Intentionally inaccurate cut off at the end of the accounting period.
- Recording fictitious shipping.
- Improper classification of revenues.
- Over/under estimating percentage of work completed on long-term contracts.
- Incorrect inclusion of related party receivables.
- Misstatement of assets, liabilities and/or expenses.
- Fictitious fixed assets or overstating assets.
- Improper capitalization of expenses as fixed assets (software development, research and development, startup costs, interest costs, advertising costs).
- Manipulation of fixed asset valuations.
- Schemes involving inappropriate depreciation or amortization.
- Incorrect values attached to goodwill or other intangibles.
- Fictitious investments.
- Improper investment valuation (misclassification of investments, recording unrealized investments, declines in fair market value/overvaluation).
- Fictitious bank accounts.
- Inflating inventory quantity through inclusion of fictitious inventory.
- Improper valuation of inventory.
- Fraudulent or improper capitalization of inventory.
- Manipulation of inventory counts.
- Accounts receivable schemes (e.g. creating fictitious receivables or artificially inflating the value of receivables).
- Misstatement of prepayments and accruals.
- Understating loans and payables.
- Fraudulent management estimates for provisions, reserves, foreign currency translation, impairment
- Off balance sheet items.
- Delaying the recording of expenses to the next accounting period.

Other accounting misstatements

- Improper treatment of inter-company accounts.
- Non-clearance or improper clearance of suspense accounts.
- Misrepresentation of suspense accounts for fraudulent activity.
- Improper or inadequate disclosures.
- Fictitious general ledger accounts.
- Journal entry fraud (using accounting journal entries to fraudulently adjust financial statements).
- Concealment of losses.

2. PAYROLL/HR RISKS

- Fictitious (or ghost) employees on the payroll.
- Falsifying work hours to achieve fraudulent overtime payments.
- Improper changes in salary levels.
- Abuse of holiday leave or time off entitlements.
- Submitting inflated or false expense claims.
- Adding private expenses to legitimate expense claims.
- Applying for multiple reimbursements of the same expenses.
- Theft of employee contributions to benefit plans.

- Falsified employment credentials e.g. qualifications and references.
- Other fraudulent internal or external documents.

3. PROCUREMENT RISKS

Inventory and fixed assets

- Theft or false sales of inventory.
- False write offs and other debits to inventory.
- Theft of fixed assets, including computers and other IT related assets.
- Receiving free or below market value goods and services from suppliers.
- Unauthorized private use of Plan Canada property.
- Altering legitimate purchase orders.
- Falsifying documents to obtain authorization for payment.
- Forging signatures on payment authorizations.
- Submitting for payment false invoices from fictitious or actual suppliers.
- Improper changes to supplier payment terms or other supplier details.
- Intercepting payments to suppliers.
- Sending fictitious or duplicate invoices to suppliers.
- Improper use of Plan Canada credit cards.
- Marked up invoices from contracts awarded to supplier associated with an employee.
- Sale of critical bid information, contract details or other sensitive information.

4. CORPORATE RISKS

Conflicts of interest

- Kickbacks to employees by a supplier in return for the supplier receiving favourable treatment.
- Preferential treatment of customers in return for a kickback.
- Collusion with customers and/or suppliers.
- Favoring a supplier in which the employee has a financial interest.
- Employee setting up and using own consultancy for personal gain.
- Employee hiring someone close to them over another more qualified applicant.
- Transfer of knowledge to a competitor by an employee who intends to join the competitor's company.

Extortion

- Extortion (offering to keep someone from harm in exchange for money or other consideration).
- Blackmail (offering to keep information confidential in return for money or other consideration).

Inventory and fixed assets

- Theft or abuse of proprietary or confidential information, intellectual property, business plans, etc.

Legal Risks

- Side letter agreements (agreements made outside of formal contracts).
- Backdating agreements.
- Forging signatures.
- Failing to follow appropriate signing and delegation procedures.