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1. INTRODUCTION

The Alliance’s Fraud Prevention Policy sets out the stance of the organization towards fraud, dishonesty, and corrupt practices. The Alliance is committed to developing, implementing, and maintaining systems, policies, and procedures to ensure that any fraud, dishonesty, and corrupt practices are prevented, minimized, mitigated, detected, reported, and dealt with in an efficient manner within the organization.

The Alliance’s activities must be performed fairly, honestly, and openly with the highest standards of integrity. The Alliance is committed to building awareness and creating a culture to enable staff to prevent, monitor, and respond to fraud.

All employees have a duty to follow the organizational policies, processes, and relevant legislation where the Alliance operates, and are responsible for the good stewardship of all Alliance’s resources. The Organization's internal controls and operating procedures, guidelines, and manuals are intended to prevent, detect, and deter improper activities and misuses of those resources. All members of the Alliance must report any actual or suspected fraudulent activity in accordance with this policy.

The Alliance has zero tolerance towards proven cases of fraudulent, dishonest, and corrupt practices. Where they are detected, the organization will investigate and take appropriate action against employees, funders, partners, contractors, consultants, vendors, suppliers, and any other internal or external implicated party.

The Alliance will keep confidential the identity of those individuals who in good faith report allegations of fraud, dishonesty and/or corrupt practices.

2. PURPOSE & OVERARCHING PRINCIPLES


The purpose of the Alliance Fraud Prevention Policy is to support the mandate of the Alliance to zero tolerance towards fraud and set out the stance of the organization towards fraudulent, dishonest, and corrupt practices in alignment with the current recommendations from the CGIAR.

Accessibility: It sets out a mechanism to be followed by all individuals and stakeholders that are connected to the organization.

Accurate: The Fraud Allegation Reporting Mechanism should be accurate and have a clear sequence of events.

Confidentiality: To the fullest extent possible, a complainant's identity will be kept confidential. It restricts access to and dissemination of information, requiring that information be available only to a limited number of authorized people for the purpose of concluding necessary investigations.

Non-Retaliation: It is against the Alliance’s policy for any employee, officer, manager, director to discharge, demote, suspend, threaten, harass or discriminate against any individual for making a report in good faith

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under this policy. Any such retaliation or harassment may subject an employee to disciplinary action up to and including discharge. Reports shall be made in good faith if the individual has reasonable grounds to believe or suspect a fraud or other dishonest or corrupt act has been committed, even if the belief or suspicion later proves to be unsubstantiated.

Timeliness: Follow-up on alleged fraud and agreed actions must be guaranteed in a timely fashion.

3. SCOPE

This policy applies to all employees of the Alliance including Board Members and, where appropriate, to funds received from funders, partners, contractors, consultants, vendors, suppliers, and any other internal and external associated party with a business relationship with the Alliance.

Where appropriate, implementing partners and other associated parties shall have included in their contracts and or agreements a clause requiring them to report to the Alliance and act against any suspected or actual fraud that occurs in their organization related to funds received from the Alliance. This policy may overlap with the Whistleblower Policy and should be read in relation to other Alliance’s policies, guidelines, processes, manuals, operational procedures about acceptable standards in the Alliance’s operations. The Fraud Prevention Policy will prevail in any alleged fraud case.

4. ACRONYMS & DEFINITIONS


AFRC: Audit, Finance, and Risk Committee
BOT: Board of Trustees
DG: Director General

LO: Legal Office
SMT: Senior Management Team
TRAG: Trans-Regional Audit Group
ESO: Ethics Senior Officer

Fraud: A dishonest or illegal act by an employee or external group or individual, or any other third party characterized by omission or a deliberate intent to conceal or represent falsely, resulting in an actual or potential loss of resources to the Alliance; misrepresentation of methods, procedures, or results of scientific research, whether or not for personal gain.

Fraudulent and other irregular acts included under this policy may involve, but are not limited to, any of the following:

1. Accounting and Auditing Matters, including:
 - a. Fraud or deliberate error in the preparation, evaluation, review, or audit of any financial statement of the Alliance.
 - b. Fraud or deliberate error in the recording and maintaining of financial records.

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- c. Deficiencies in compliance with the organizational internal accounting controls.
 - d. Misrepresentation or false statements to or by a senior officer, employee, or accountant regarding a matter contained in financial records, financial reports, or audit reports.
 - e. Deviations from full and fair reporting of the organizational financial position.
 - f. Any fraud or violation of law relating to acts of financial misconduct.
2. Scientific fraud includes, but is not limited to¹:
 - a. Fabrication – making up results and recording or reporting them.
 - b. Falsification – manipulating research materials, equipment, or processes, or changing or omitting data or results such that the research is not accurately represented in the research record.
 - c. Plagiarism in proposing, performing, or reviewing scientific research, or in reporting research results – appropriation of another person's ideas, processes, results, or words without giving appropriate credit.
 - d. Not listing authorship and/or conferring authorship on those that have made substantial contributions to the research.
 - e. Violation of ethical standards regarding human and animal experiments such as the standard that a human subject of the experiment must give informed consent to the experiment.
 - f. Failure to publish significant findings due to the results being averse to the interests of the researcher or his/her sponsor(s).
 - g. Assertions or making unsubstantiated claims.
 3. Tax or duty evasion – where an employee or external parties take advantage of the privileges, exemptions and/or immunities given to the Alliance in any country that signed an agreement with any of the Center members of the Alliance, to avoid payment of tax or any other duty that should be paid.
 4. Embezzlement/Fraud (to appropriate improperly for one's own use money or property, including the misapplication of funds, mishandling of cash, and bookkeeping errors).
 5. Falsification or alteration of any documents that will affect the accuracy of the information contained and that may be in any way misleading.
 6. Improper supplier or contractor activity (including an improper negotiation or diversion or illegal activity with respect to supplier or contractor awards).
 7. Theft or misappropriation of funds, securities, supplies, inventory, or any other assets such as furniture, fixtures, or equipment.
 8. Seeking or accepting anything of material value for personal gain from contractors, vendors or persons providing service/goods to the Alliance as established in Code of Ethics.

¹ Taken from the U.S. National Science Foundation.

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9. Inappropriate use of resources (including use of agency or donated resources such as cash, food, commodities, materials for purposes other than those for which they have been intended).
10. Other illegal or criminal use of the organization’s property or assets.
11. Kickbacks, bribery or the pay or giving of anything of value for the purpose of securing an improper advantage according to the Staff Code of Ethics and Conduct of the Alliance.
12. When an employee performs dishonest or illegal actions to avoid payment of any monies due to the organization (indebtedness)
13. Contravention of any regulations or rules, policies, and procedures with the intent to gain personal advantage or to procure that a third party (such as a friend, family member, or contractor) gains personal advantage.
14. Inappropriate use of delegated authority that results in fraud, misappropriation, or obtaining benefit by deception or other unethical measure.
15. Conflict of interest where an employee or an associated party knowingly has an undisclosed business interest in an entity involved in any dealings with the organization.


5. FRAUD GOVERNANCE: ROLES AND RESPONSIBILITIES

The Board of Trustees (BOT): The Board has overall responsibility to set the tone in fraud prevention and management and ensure management has sound policies, procedures, and internal controls to prevent, detect, and manage fraud. Specifically, the BOT, through its Audit, Finance, and Risk Committee, will oversee management’s practices towards fraud.

Audit, Finance, and Risk Committee (AFRC): The AFRC is responsible for overseeing management’s compliance with policies and for preventing management override of controls or other inappropriate influence over the fraud management process. The AFRC is also responsible of the review and approval of the Fraud Management Framework and related controls. It should review the investigation log of cases regularly and report any significant matters to the BOT. If management is involved in the fraud allegation, the AFRC Chair should be notified by the TRAG and take up the role of leading the investigation.

The Director General (DG): The DG has the overall responsibility for implementing an effective fraud prevention and management system and promoting an anti-fraud culture. The DG is supported by the Trans-Regional Audit Group and internal advisors, such as the Manager of the Legal Office and the Ethics Senior Officer. The DG decides in a joint decision with the Ethics Senior Officer and LO “if” and “how” an investigation should be commissioned.

Trans-Regional Audit Group (TRAG): The TRAG performs the preliminary assessment to find out if there is sufficient credible evidence to investigate. It also prepares the investigation plan and oversees or conducts,

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when appropriate, the investigative process ensuring that the investigation is conducted following the plan. The TRAG provides quality assurance of the investigation process and its results and represents the investigation on behalf of stakeholders and other parties where appropriate.

The Ethics Office: The Ethics Senior Officer develops a fraud prevention and management framework, overseeing its implementation, promoting an anti-fraud culture and coordinating activities related to detection and management of any suspected or actual alleged fraudulent activities. The Ethics Senior Officer with the support from experts, TRAG and other relevant authority, identifies and pursues lines of inquiry: interviews with witnesses, suspects, and victims. It manages all aspects of disclosure, exhibits, and forensics, ensuring confidentiality throughout the process; and conducts all activities within local law, policies, and procedures, and following the guidelines. The Officer will draft a report with the outcomes of the investigation ensuring a good administration of the reporting mechanism, maintaining records, and communicating with the anonymous whistleblower.

Legal Office (LO): It is often necessary to have a legal counsel involved at certain stages of an investigation; mainly where subsequent legal action is likely required. Specific advice would include such issues as guidance on civil, internal, and criminal responses, and recovery of assets.

Human Resources Department: Advice from Human Resources at certain stages of an investigation may be needed, mainly in cases involving subsequent disciplinary or legal actions. Specific advice would include guidance on dismissal, termination of contracts, or any other sensitive situation involving staff of the Alliance.


Institutional Review Board (IRB): The IRB is responsible for upholding highest standards in the ethical conduct of research, including the protection of human subjects. In the event of scientific fraud, the Ethics Senior Officer will lead the investigation with the support of the IRB.

All Staff: In addition to complying with this policy, regularly monitoring the Alliance’s activities, and identifying and reporting to their supervisors any potential or actual sources of fraud, every employee has a role to play in preventing fraud.

All staff must report any suspected or actual fraud to the Ethics Senior Officer or through the whistleblowing mechanisms.

In the event that a fraud allegation is made concerning any staff from the Ethics Office, the potential or actual fraud should be reported to the Director General who will report it to the TRAG and AFRC. All staff will co-operate fully with the AFRC, management, auditors and law enforcement agencies during any fraud-related investigation and will be available to assist in the investigations.

Any employee contacted by the media or any third party with respect to a fraud allegation or investigation shall refer them to the Ethics Senior Officer, unless the allegation concerns a member of the Ethics Office in which case the media shall be referred to the DG and AFRC Chair.

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External Auditors: The External Auditors shall report to the Board via the AFRC any suspected or actual fraud found as a result of their auditing activities.

External Consultants & Others: In some investigation processes, some external consultants or experts shall be hired to investigate.

6. FRAUD ALLEGATION PROCESS

The Alliance establishes a communication process to allow allegations of suspected or potential fraud to be made and deploys a coordinated approach to investigation and corrective actions to address allegations of fraud appropriately in a timely manner.

Upon receipt of an allegation, the Ethics Senior Officer shall acknowledge receipt of the allegation to the sender unless the allegation is made anonymously. Where an allegation appears to relate to a matter outside the definition of fraud and events listed above, it will be determined whether the allegation pertains to a matter covered under this policy or whether it would be more appropriately resolved under another policy. In addition, and according to the process established for deciding whether to investigate or not, the TRAG will conduct a pre-assessment to define if the allegation and facts reported are under the scope of this policy and will require an investigation.

Upon receipt of an allegation of suspicion of fraud, the Ethics Senior Officer shall, without delay, proceed to assess the facts of the allegation and decide if the allegation is or not related to fraud. In case the allegation concerns a suspicion of a potential fraud case, the Ethics Senior Officer shall report it immediately to the DG, TRAG and Audit Finance and Risk Committee to follow the process specified in the table below. If the management is involved, the issue will not be reported to the DG but only to TRAG and the Audit, Finance, and Risk Committee Chair immediately and also reported to the Audit, Finance and Risk Committee right away, no later than the next meeting. The AFRC Chair and Committee will have access to a log of all matters. Members of the Senior Management Team will be notified of an ongoing investigation when one of their staff is involved.

Any suspected or alleged fraud greater than USD 25,000 will be reported to System Organization according to the escalation process and CGIAR Reporting Guidelines established.



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	STAGE	PROCESS	BOT	AFRC	DG	TRAG	Ethics Office	LO	HR	SME
Process of Decision to Investigate	Fraud Allegations Submission	<ul style="list-style-type: none"> *The Reporter submits fraud allegations through a fraud reporting mechanism. This can be achieved by using an online portal, phone, or verbally. *Fraud Allegation Reporting Mechanism issues a fraud allegation alert to actors that need to be informed. 			I	I	R	C		
	Preliminary Assessment of the Alleged Fraud	<ul style="list-style-type: none"> *TRAG performs a preliminary assessment if the fraud allegation provides sufficient and credible information to investigate. The TRAG can consult with a specialist as needed. It is not required to consult with all specialists. *If required, the TRAG will discreetly obtain additional information on the matter with the Reporter and/or other stakeholders to establish the credibility of the allegation. *Based on the nature of the alleged fraud (who is involved, where did it took place), the TRAG submits a proposal to the DG on the steps to follow. *If Senior Management and/or the DG/SMT is involved, the case will be assessed by the AFRC. 			I	R	A/R	C		
	Decision to Investigate (Or Not)	<ul style="list-style-type: none"> *The TRAG submits a report to the DG advising if an investigation is warranted or not. *The DG decides based on the information received if an investigation is required upon consultation with Ethics Senior Officer and LO. *The DG decides if other stakeholders need to be informed (donors, System Organization, etc.) and informs the TRAG "how" it will be commissioned to perform the investigation. 		I	A/R	A/R	A/R	A/R		
Investigation Process	Investigation Plan	<ul style="list-style-type: none"> *When it is decided to commission an alleged fraud investigation, the TRAG drafts an investigation plan. The investigation plan consists of the following elements: objective, scope, and work plan to be performed by the investigator. It also specifies who should conduct the investigation (internal/external), timing, reporting lines, and cost of the engagement. *The DG approves the investigation plan and signs the Terms of Reference upon consultation with Ethics Senior Officer and LO. 		I	R	A/R	R	C		C
	Investigation	<ul style="list-style-type: none"> *The Ethics Senior Officer executes the procedures as agreed under the Terms of Reference. *If needed, the Investigator consults with TRAG, legal or other specialists in the organization or the funder. 		I	I	I	A/R	C	C	C
	Reporting	<ul style="list-style-type: none"> *The Investigator provides a final report to the DG and the TRAG (findings). It is the responsibility of the DG to conclude if the allegation is founded and to decide future actions. *The DG consults with other stakeholders (funders) as needed. *The DG will lead the follow-up actions, such as a court case or a disciplinary action. *The DG ensures that the Audit Function, Legal Office, HR, or other specialist are involved and informed on the results of the investigation as appropriate without compromising on confidentiality. * The Ethics Senior Officer informs the reporter on the results of the investigation. 	I	I	A/R	I	A/R	C	C	C

I: Informed A: Accountable R: Responsible C: Consulted (When appropriate).

*Table taken from the Fraud Playbook shared by the Internal Audit Community of Practice

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6.1 FRAUD ALLEGATION SUBMISSION & FRAUD REPORTING MECHANISMS

This procedure will enable concerns to be reported directly to an independent official on a confidential basis and without fear of detriment or retribution to the person making the report.

Any staff of the Alliance or external party in a business relationship with the Alliance having reason to suspect fraud is required to make a fraud allegation through the official reporting mechanisms and channels:

a. Official email

Managed only by the Ethics Senior Officer (Alliance-reportsfraud@cgiar.org)

b. Lighthouse Services


Lighthouse Services provides a toll-free number along with several other reporting channels, all of which are available 24 hours a day, seven days a week for use by the Alliance staff.

Staff may report a fraud allegation through the following five (5) channels, choosing the one they feel more comfortable with and including a description of the facts as detailed as possible:

1. **On the website:** Go to [Syntrio: Illuminating Corporate Integrity](#) , click on the “Report an Incident” icon and follow the instructions.
2. **By telephone:**
 - Find and dial your country number. Country numbers are available on <https://www.business.att.com/collateral/access.html>
 - After connecting to your country number, dial the hotline number 800-603-2869.
3. **Via e-mail:** Send an email to reports@lighthouse-services.com including the name of the Alliance Bioversity-CIAT in the subject and content of the email.
4. **Via mail:** Send the report to Lighthouse Services, Inc. 1710 Walton Rd., Suite 204, Blue Bell, PA 19422. Be sure to include the Alliance’s name in the report.
5. **Via fax:** (215) 689-3885. Be sure to include the Alliance’s name in the report.

c. Allegations to Supervisors

Employees may also report fraud allegations to a supervisor. In such cases, the supervisor shall immediately report the matter to the Ethics Senior Officer. In the case of the regions, it could be also reported to the Country Managers and/or Managing Directors and subsequently reported to the Ethics Senior Officer. Supervisors shall ensure that employees are not discharged, demoted, suspended, threatened, harassed, discriminated, or otherwise retaliated against for the making of a report in good faith under this policy.

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7. STAFF INVOLVEMENT

Reports of alleged fraud should include all details known at the time the suspicions arise, which may include all individuals alleged to be involved, the location, the time, and any relevant actions or statements.

Staff should not:

- a. Contact the suspected perpetrator to get facts or demand restitution
- b. Discuss the case facts or allegations with anyone other than the Ethics Senior Officer
- c. Attempt to personally conduct investigations or interviews
- d. No time should be lost in making the report of the alleged fraud

8. RIGHTS AND PRIVILEGES OF SUSPECTS

Where an initial investigation reveals that there are reasonable grounds for suspicion, and to facilitate ongoing investigations, it may be appropriate to suspend an employee against whom an accusation has been made. Suspension should not be regarded as a disciplinary action nor should it imply guilt. The Director General, Ethics Senior Officer and the LO in consultation with HR will make the decision.

Should the staff member be cleared of all the allegations, an appropriately worded formal communication will be made to the individual with a copy placed in his/her file. This must be done within 30 days of the individual being cleared of the fraud allegations. No future reference shall be made to an incident for which a staff member was cleared, to prejudice his/her continued employment in the organization.


9. RECOVERING ASSETS

Where the Alliance has suffered financial losses or loss of other material and immaterial assets, efforts will be made to seek restitution from the individual(s) responsible for the fraud. This can be done through the following methods, but are not limited to any of the following:

- a. Making arrangements for voluntary payment;
- b. Making deductions from benefit payments or a pension scheme if permitted by law;
- c. Considering an insurance claim;
- d. Taking civil action to obtain a judgment for the loss;
- e. Obtaining compensation orders in criminal cases; and
- f. Considering any other appropriate means of recovery.

10. DISCIPLINARY ACTIONS & FRAUD RESPONSE

As noted earlier, where investigations reveal that a staff member has committed proven fraud, the Director General, in consultation with the Ethics Senior Officer, the Manager of the Legal Office and the Director of Human Resources, will pursue disciplinary or legal action. This may include the suspension of the person or persons involved. Where it appears advisable that the suspension take place unannounced, so as to prevent suspects from destroying or removing evidence, the staff concerned shall be supervised at all times

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before leaving the Alliance’s premises, and measures shall be taken to ensure that they are unable to gain access to the premises or to Technology Integration systems during their suspension.

If an allegation is determined to have been made frivolously, in bad faith, maliciously, for personal gain or for revenge, disciplinary action may be taken against the person making such an allegation.

Criminal prosecution and/or other disciplinary actions shall be pursued in all proven financial fraud cases, and if there is proof of evidence, in all proven scientific fraud cases. One or more of the following options may be applied, consistent with the perpetrator’s relationship with the Alliance and the rights and obligations therein under applicable law:

- a. Loss of privileges and immunities
- b. Contract termination
- c. Immediate dismissal
- d. Disciplinary action could also be brought against supervisors whose failures have contributed to the commission of fraud or a staff member deliberately making an allegation in bad faith.

Where there is evidence of criminal activity, the matter will, subject to the approval of the AFRC, be handed over to the police or relevant authorities for investigation in the first instance and the Alliance will act under their directions.

11. RECORD RETENTION

The Ethics Senior Officer will maintain a record of all allegations covered by this policy and shall prepare a periodic report to the Director General that will subsequently report to the Chair of the BOT and the AFRC of such matters. Copies of all allegations and investigation records will be maintained in accordance with the organization's document retention policy.


12. RELATED POLICIES/ REFERENCES FOR MORE INFORMATION

- Code of Ethics and Conduct
- Risk Management Policy
- Delegation of Authority
- Whistleblowing Policy

13. POLICY AUTHORITY

The AFRC on behalf of the BOT will review the fraud policy as needed. This policy was approved by the Executive Committee acting on behalf of the Alliance BOT, and its modifications will need approval by the BOT. The effective date of this revised Policy is **November 16, 2020**. This policy supersedes previous policies regarding this subject matter, and previous policies are considered rescinded.

14. VERSION CONTROL

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VERSION	DATE OF APPROVAL OF THE NEWEST VERSION	DESCRIPTION OF CHANGE	PREPARED BY:
00	2 November 2020	First Alliance Fraud Prevention Policy	Carlos Paredes Mauricio Muñoz
01	28 September 2021	Changed the URL of Lighthouse Services reporting line on p.8 from www.lighthouse-services.com/cgiar to https://www.lighthouse-services.com/AllianceBVlandCIAT	Nicole Demers, approved by Vanessa Riveros
02	29 November 2024	Change ODU for Ethics Senior Officer as the Fraud Prevention Function passes to this new position as of 1st November 2024	Nicole Demers, and Luana Golemi Approved by the Board of Trustees

Reviewed by:

Approved by:

Audit, Finance and Risk Committee (AFR)	Whole Executive Committee on 2 November 2020
Nancy Andrews Chair AFR Committee Vanessa Riveros, Head, Organizational Development Unit	