

# YMCA Finland Anti-Corruption Policy

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# YMCA Finland Anti-Corruption Policy

## 1. Purpose of the policy

The purpose of this Anti-Corruption Policy is to outline YMCA Finland's procedures and mechanisms in actively combatting all forms of corruption and misuse of funds and promoting an organisational culture of compliance and integrity. YMCA Finland has zero tolerance for corruption, including any kind of bribery, extortion, favouritism and other demoralising activities described in this document. Together with the rules and code of conduct of the organisation and the Ethical Guidelines, this policy guides YMCA Finland staff members, its partners and other employer representatives involved in the programme. YMCA follows good governance guided by the official rules of the organization, the financial statute, the financial audit, and performance audit. YMCA Finland follows the Governance Policy Document adopted by the World YMCA in which the roles, responsibilities and good governance of the World Federation of YMCAs, YMCA regional organisations and national movements have been described. YMCA Finland has a competent staff and board or trustees who actively supervise the management and the operations.

There are several measures in place for the partnership capacity assessment which examines the competence of the local financial administration and helps to identify possible gaps. In addition to the partnership capacity assessment, there are project management guidelines, participatory project design and budgeting, detailed project plans, risk analysis, monitoring and reporting including financial administration, and evaluation practices are in place for ensuring that funds are managed according to rules. These are explained in detail in the YMCA Finland Handbook of Development Cooperation.

YMCA Finland works with partners who have the capacity to organise bookkeeping locally. Each project must have a separate bank account for traceability purposes. All the transfers of funds are based on the payment requests and spending forecasts, payments are not automatic. Payments take place quarterly, once the YMCA Finland coordinator has received the quarter narrative and financial reports that support the payment request. Organising the payments quarterly improves transparency and assists the YMCA Finland project coordinator in following the expenditure in relation to the implemented activities. Special purpose audits are conducted annually both in partner countries as well as with YMCA Finland by an independent and authorised professional auditor.

YMCA Finland has strong risk management guidelines, which include the monitoring of finances and identifying possible mismanagement of funds or corruption. These aspects are taken into consideration in planning and implementation of all projects. A complaints' mechanism is in place to ensure that all corruptive acts can be identified and reported by anyone witnessing such behaviour. This document concludes in a statement of agreement, which is signed by all partners, employees and other employer representatives.

## 2. Corruption – Definition of the terms<sup>1</sup>

In some situations, corruption can be complicated to identify because individuals might understand the level of corruptness of some behaviours differently. The different forms of corruptive behaviour are clarified below.

*BRIBERY* is the act of offering money or other valuables in order to persuade someone to do something for you. Bribery is corruption by definition. Bribes are also called kickbacks, payola, hush money, sweeteners, protection money, boodle, gratuity etc. Bribery is widely criminalised through international and national laws.

*EXTORTION* is the unlawful demand or receipt of property or money through the use of force or threat. A typical example of extortion would be when armed police or military officers exact money for passage through a roadblock. Synonyms include blackmail, bloodsucking and extraction.

*FAVOURITISM* refers to the normal human inclination to prefer acquaintances, friends and family over strangers. It is not always a form of corruption. However, when public (and private sector) officials demonstrate favouritism to unfairly distribute positions and resources, they are guilty of cronyism (friends) or nepotism (family), depending on their relationship with the person who benefits.

*EMBEZZLEMENT* is the misappropriation of property or funds legally entrusted to someone in their formal position as an agent or guardian.

*CONFLICT OF INTEREST* arises when an individual with a formal responsibility to serve the public participates in an activity that jeopardises his or her professional judgment, objectivity and independence. Often this activity (such as a private business venture) primarily serves personal interests and can potentially influence the objective exercise of the individual's official duties.

*FRAUD* is economic crime involving deceit, trickery or false pretences, by which someone gains unduly. An actual fraud is motivated by the desire to deceive another to his harm, while constructive fraud is a profit made from a relation of trust. Synonyms: Swindle, imposition, deceit, double-dealing, cheat, and bluff.

## 3. Code of Conduct

The Code of Conduct regarding anti-corruption and misuse of funds is binding to all YMCA Finland staff, volunteers and partners working with any of YMCA Finland's projects and activities.

YMCA Finland staff and partners must never

- Use their position at YMCA Finland, or use connection obtained through YMCA Finland to their personal financial advantage
- Hide or leave unreported suspicions of corruption or misuse of YMCA Finland's funds

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<sup>1</sup> Ministry for Foreign Affairs of Finland (2012) Anti-Corruption Handbook for Development Practitioners

- Steal, misuse or misappropriate funds, property or any other YMCA income
- Engage in illegal activities, money laundering, forging of documents, taking commissions or influencing tender process for benefit.
- Accept gifts or bribes in return for benefitting external or internal parties' interests in YMCA Finland's activities
- Use YMCA's equipment or means to support external activity
- Mislead partners or donors by submitting inaccurate or fake information and reports
- Engage in using of or benefitting from illegal labour, forced labour or child labour

According to the Code of Conduct all staff and partners are expected to ensure the following minimum standards:

- Clear and transparent governance model
- Up-to-date organizational structure with sufficient resources for adequate financial management
- Ensure that financial and other resources are used solely for the intended purpose.
- Financial roles differentiated so that no one is solely responsible for funds
- Clear responsibilities are well defined over:
  - o Cash management and accounting differentiation
  - o Access to the bank accounts
  - o Invoices checking and approval before payments
  - o Reconciliation of cash and bank accounts
- Conduct all activities and business in accordance with the national and international laws and standards, and YMCA Ethical Guidelines
- Effective internal monitoring and control mechanisms as well as annual external audit
- Transparency in budgeting and reporting (all financial reports and yearly audits are shared with the partners and donors upon request)
- Written financial and procurement instructions and decision-making rules
- Fixed assets register: assets acquired during the project are catalogued and inventoried annually.
- Seek to ensure that all goods and services purchased for YMCA activities are produced and delivered under conditions that do not involve the abuse or exploitation of any persons and have the least negative impact on the environment.

YMCA Finland will not tolerate any breaches of this policy or its Ethical Guidelines. In case a breach occurs, all situations will be thoroughly examined as indicated below and may lead to disciplinary measures.

#### **4. Grievance procedure**

In case the alleged fraud or corruption has taken place in Finland, the complainant has the option to report the case in person to the National General Secretary or to the board members of YMCA Finland. If the alleged corruption or fraud has taken place in YMCA Finland's programme countries, the complainant has the option to report the grievance in person to his/her immediate supervisor, or to YMCA Finland's coordinator, who will inform the National General Secretary immediately.

Another option is to use the complaint form that is available at: (<https://ymca.fi/whistleblower/>). The form allows the informant to stay anonymous.

In case fraud or corruption is suspected, an investigation will be initiated with the parties concerned. If the fraud or bribery concerns an employee or YMCA Finland's volunteer, the person will be temporarily relieved of their main duties or moved to some other duties during the investigation until a consensus is achieved. At the end of the case, the follow-up will be according to the Finnish law or the law of the respective country. In the event of fraud or corruption with partners, the relevant donors will be notified in accordance with their instructions and agreements. YMCA Finland strives to be transparent when fraud or corruption is reported.

Everyone should be able to share their concerns without fear of retribution or unfair treatment. YMCA Finland will do its outmost best to ensure that complaints are handled with confidentiality and without risking effects on employment or any form of retribution and/or harassment because of highlighting a real problem.

## **5. Complaint mechanism**

YMCA Finland is determined to follow up on its Ethnical Guidelines and policies on anti-corruption. To this end an anonymous complaints mechanism has been created on YMCA Finland's website (<https://ymca.fi/whistleblower/>). The form has been adopted from a similar form by Y Global (YMCA-YWCA Norway). In the form anyone affected by YMCA Finland's work or projects, YMCA Finland's partners, volunteers and staff or donors and other YMCA Finland stakeholders has a right to complain. In the form a person can report any incidents, or suspicion of incidents, of corruption, bribery, exploitation, abuse, harassment of any kind or unacceptable behaviour. The form and the containing information are always treated confidentially.

## **6. Statement of agreement**

I hereby confirm that I have read and understood the content of the YMCA Finland Anti-Corruption Policy and agree to comply with it in my affiliation with YMCA Finland.

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Date and place

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Signature and print name