



Center for Finance

# ANTI-FRAUD POLICY

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## 1 PURPOSE

The purpose of this Anti-Fraud Policy is to prevent, detect, and respond to fraud, corruption, and other financial or ethical irregularities within the Center for Finance.

This Policy aims to:

- Establish a zero-tolerance approach to fraud and fraudulent activities;
- Protect organizational and donor funds, assets, and resources from misuse;
- Promote a culture of integrity, transparency, and accountability;
- Define roles and responsibilities for fraud prevention and response;
- Ensure compliance with applicable laws, regulations, and donor requirements.

This Policy supports the organization's broader commitment to strong governance and ethical conduct, in line with Environmental, Social, and Governance (ESG) principles, with a particular emphasis on governance and financial integrity.

## 2 SCOPE

This Anti-Fraud Policy applies to all individuals and entities associated with the Center for Finance, as well as to all activities, projects, and financial transactions carried out by or on behalf of the organization.

The scope of this Policy includes:

- **Employees:** All full-time, part-time, and temporary staff;
- **Management:** Senior leadership and individuals with decision-making authority;
- **Consultants and experts:** Individuals engaged on a contractual or project basis;
- **Project staff and collaborators:** Individuals involved in project implementation, including donor-funded activities;
- **Interns and volunteers:** Individuals supporting organizational activities;
- **Partners and stakeholders:** Organizations and individuals collaborating with the Center for Finance;
- **Suppliers and service providers:** External entities providing goods or services.

This Policy applies to all financial and operational activities, including:

- Project implementation and financial management;
- Procurement and contracting processes;
- Use of organizational assets and resources;
- Reporting and documentation related to donor-funded and internal activities.

All individuals covered by this Policy are required to comply with its provisions and contribute to the prevention and detection of fraud.

The Center for Finance also promotes adherence to these principles across its partnerships and expects a similar level of integrity from all external parties engaged in its activities.

### **3 DEFINITION OF FRAUD & IRREGULARITIES**

For the purposes of this Policy, fraud is defined as any intentional act or omission designed to deceive others, resulting in financial or personal gain or causing loss to the organization, its partners, or donors.

Fraud and irregularities may include, but are not limited to:

#### **3.1 Fraudulent Practices**

- Misrepresentation of information, including falsification of documents, reports, or financial statements;
- Submission of false or misleading data in project proposals, reports, or research outputs;
- Manipulation or concealment of relevant information for personal or organizational gain.

#### **3.2 Financial Misconduct**

- Misuse, misappropriation, or unauthorized use of funds, including donor funds;
- Embezzlement or diversion of organizational resources;
- Unauthorized or improper payments.

#### **3.3 Procurement and Contracting Irregularities**

- Collusion with suppliers or service providers;
- Manipulation of procurement processes or selection criteria;
- Acceptance of kickbacks, commissions, or other improper benefits.

#### **3.4 Corruption and Bribery**

- Offering, giving, soliciting, or accepting bribes or any undue advantage;
- Influencing decisions through improper or illegal means.

#### **3.5 Conflict of Interest Abuse**

- Failure to disclose conflicts of interest that influence decision-making;
- Using a position within the organization for personal gain.

#### **3.6 Other Irregularities**

- Theft or misuse of assets, equipment, or information;
- Unauthorized disclosure or misuse of confidential information;
- Any other act that violates ethical, legal, or donor requirements.

All individuals are expected to be vigilant in identifying and preventing such practices.

Any suspicion of fraud or irregularity must be reported in accordance with this Policy.

### **4 ROLES & RESPONSIBILITIES**

The Center for Finance assigns clear roles and responsibilities to ensure effective prevention, detection, and response to fraud and irregularities.

**Senior management** holds overall responsibility for establishing a strong anti-fraud culture within the organization. This includes setting the tone at the top, ensuring that adequate systems and controls are in place, and allocating sufficient resources to support fraud prevention and risk management. Management is also responsible for ensuring compliance with donor requirements and relevant legal frameworks.

**An ESG / Ethics Focal Point**, or another designated responsible person, supports the implementation of this Policy by monitoring risks, advising staff, and coordinating actions related to fraud prevention and reporting. This role includes maintaining awareness of potential vulnerabilities and supporting the integration of anti-fraud measures into projects and operational processes.

**Project managers** play a critical role in ensuring that anti-fraud measures are applied in project implementation. They are responsible for maintaining transparency in financial management, overseeing procurement processes, and ensuring that all activities are properly documented and compliant with donor and organizational requirements.

**All employees, consultants, and collaborators** are responsible for acting with integrity and vigilance in their daily work. They are expected to follow established procedures, avoid any actions that could lead to fraud or misuse of resources, and report any suspected irregularities in a timely manner.

**External partners, contractors, and service providers** are expected to adhere to the principles of this Policy and to maintain high standards of integrity in their interactions with the organization. The Center for Finance promotes transparency and accountability across its partnerships and expects cooperation in preventing and addressing fraud.

Through clearly defined responsibilities and shared accountability, the organization ensures a proactive and coordinated approach to managing fraud risks.

## **5 PREVENTION MEASURES & INTERNAL CONTROLS**

The Center for Finance is committed to preventing fraud through the establishment of effective internal controls, transparent procedures, and a culture of accountability.

The organization ensures that financial and operational processes are designed to reduce the risk of fraud and irregularities. This includes clear separation of duties, where responsibilities for authorization, execution, and review are assigned to different individuals whenever possible, in order to minimize the risk of misuse or error.

Financial management procedures are implemented to ensure that all transactions are properly authorized, recorded, and documented. Accurate record-keeping and supporting documentation are maintained for all expenditures, particularly within donor-funded projects. Regular internal checks are conducted to verify the consistency and reliability of financial data.

Procurement processes are carried out in a fair, transparent, and competitive manner. The organization ensures that procurement decisions are based on objective criteria and that appropriate documentation is maintained throughout the process. Any deviations from established procedures must be justified and properly recorded.

The Center for Finance also promotes transparency in project implementation by ensuring that activities, outputs, and financial flows are clearly documented and traceable. This includes maintaining proper audit trails and ensuring that relevant information is available for internal review and external verification where required.

Awareness and training are considered essential components of fraud prevention. Staff and collaborators are encouraged to understand potential fraud risks and to apply ethical standards in their daily work. Guidance is provided to support responsible decision-making and compliance with internal policies.

Through these preventive measures and internal controls, the Center for Finance strengthens its ability to identify risks early, reduce vulnerabilities, and ensure the proper use of resources.

## **6 DETECTION & REPORTING OF FRAUD**

The Center for Finance is committed to ensuring that fraud and irregularities are identified and reported in a timely and effective manner.

Fraud detection is supported through regular monitoring of financial and operational activities, internal reviews, and oversight of project implementation. The organization promotes a culture of vigilance, where individuals are encouraged to be attentive to unusual transactions, inconsistencies in documentation, or behavior that may indicate potential misconduct.

All individuals associated with the organization have a responsibility to report any suspected or actual cases of fraud, corruption, or irregularities. Reports may be made through appropriate internal channels, including management or the designated ESG / Ethics Focal Point. The organization encourages prompt reporting, even in cases where concerns are based on reasonable suspicion rather than confirmed evidence.

All reports are treated with strict confidentiality and handled in a responsible and professional manner. The Center for Finance ensures that individuals who report concerns in good faith are protected from retaliation or adverse consequences. Anonymous reporting may be permitted where appropriate, in accordance with organizational practices.

Upon receiving a report, the organization will conduct a preliminary assessment to determine the appropriate course of action. Where necessary, further investigation will be carried out in a fair, impartial, and timely manner. All relevant information will be documented, and appropriate measures will be taken based on the findings.

Through effective detection and reporting mechanisms, the Center for Finance ensures that potential risks are addressed early and that integrity is maintained across all activities.

## **7 INVESTIGATION & RESPONSE**

The Center for Finance is committed to ensuring that all allegations of fraud and irregularities are addressed promptly, fairly, and in a structured manner.

When a report of suspected fraud is received, the organization conducts an initial assessment to determine whether further investigation is warranted. If necessary, a formal investigation is initiated, taking into account the nature, scope, and potential impact of the case.

Investigations are carried out in an impartial and confidential manner, ensuring that all relevant facts and evidence are carefully reviewed. Individuals involved in the process are expected to cooperate fully and provide accurate and complete information. The organization ensures that the rights and dignity of all individuals are respected throughout the process.

Where appropriate, specific individuals may be designated to conduct or support the investigation, ensuring independence and objectivity. All steps taken during the investigation are documented to ensure transparency and traceability.

If fraud or misconduct is confirmed, the Center for Finance will take appropriate corrective and disciplinary measures. These may include internal actions such as reassignment of responsibilities, termination of contracts, or other measures in line with organizational policies. Where required, the organization may also report the matter to relevant authorities or donors, in accordance with applicable obligations.

In addition to addressing individual cases, the organization uses the findings of investigations to strengthen internal controls, improve procedures, and reduce the risk of recurrence. Lessons learned are integrated into organizational practices and future project implementation.

Through a structured and responsible approach to investigation and response, the Center for Finance ensures accountability, fairness, and continuous improvement in managing fraud risks.

## **8 REVIEW, IMPLEMENTATION & FINAL PROVISIONS**

This Anti-Fraud Policy forms an integral part of the governance and risk management framework of the Center for Finance and is binding for all individuals and entities within its scope.

The organization ensures that this Policy is effectively communicated and implemented across all levels. Relevant individuals are expected to be aware of its provisions and to apply them in their daily activities. Where appropriate, guidance and awareness-raising activities may be conducted to support understanding and compliance.

The Center for Finance is committed to regularly reviewing and updating this Policy to ensure its continued relevance and effectiveness. Reviews take into account changes in organizational activities, regulatory requirements, and donor expectations, as well as lessons learned from implementation.

Management is responsible for overseeing the implementation of this Policy and ensuring that appropriate systems and controls are in place. The organization also ensures alignment with applicable laws, regulations, and donor requirements in all aspects of fraud prevention and response.

This Policy enters into force on the date of its approval by the management of the Center for Finance. The most recent version of the Policy is applicable and accessible to all relevant stakeholders.

Through continuous improvement and strong governance practices, the Center for Finance ensures the integrity, transparency, and responsible use of resources in all its operations.