

Syrian German Medical Association (SGMA)

Annex: Anti-Fraud and Corruption Policy

1. Purpose

This policy outlines SGMA's commitment to preventing, detecting, and responding to fraud and corruption. It aims to ensure transparency, promote a culture of integrity, and protect SGMA's resources, reputation, and mission effectiveness. Fraud and corruption threaten our ability to serve beneficiaries, erode public trust, and violate legal and ethical standards. SGMA is committed to creating a work environment where integrity and accountability are at the heart of all operations.

2. Scope

This policy applies to all SGMA stakeholders, including but not limited to:

- Board members,
- Employees (full-time, part-time, or temporary),
- Volunteers and interns,
- Consultants and independent contractors,
- Suppliers and service providers,
- Implementing partners and grantees,
- Any third parties acting on behalf of or under the authority of SGMA.

It covers all organizational functions including procurement, human resources, financial management, program implementation, and partnerships in both Germany and field locations such as Syria or other areas of operation.

3. Definitions

To promote shared understanding and consistency, the following definitions apply:

- **Fraud:** Any act of deception intended for personal or organizational gain. Examples include falsifying invoices, over-reporting beneficiary numbers, submitting fake receipts, or diverting supplies for personal use.
- **Corruption:** Abuse of entrusted power for private benefit. It encompasses practices like bribery, favoritism, nepotism, and misuse of authority.
- **Bribery:** Offering, giving, receiving, or soliciting something of value (money, gifts, services) to influence decisions or gain unfair advantages.
- **Embezzlement:** Theft or misappropriation of funds, property, or assets that have been entrusted to an individual's care.
- **Kickbacks:** Secret payments made in return for facilitating a transaction or awarding a contract.

4. Roles and Responsibilities

- **Board of Directors:** Provides strategic oversight, sets the tone at the top, and ensures this policy is implemented and periodically reviewed.
- **Executive Director:** Leads the implementation of this policy, ensures organizational systems support compliance, and promotes a culture of ethical conduct.
- **Finance and HR Departments:** Develop and enforce controls, including due diligence, payroll integrity, and procurement safeguards.
- **All Staff and Representatives:** Must comply with this policy, avoid any form of fraudulent behavior, and report suspicious activities promptly.
- **Compliance Officer:** Receives and assesses reports of potential fraud, coordinates investigations, and provides guidance on prevention.

5. Prevention Measures

SGMA prioritizes prevention over remediation. Preventative mechanisms include:

- **Internal Control Framework:** Clear separation of duties, limits of authority, and approval hierarchies.
- **Procurement Standards:** Transparent, competitive bidding processes and supplier vetting.

- **Due Diligence Procedures:** Background and reference checks for staff, vendors, and partners.
- **Conflict of Interest Declarations:** Annual disclosures and real-time updates when potential conflicts arise.
- **Asset and Inventory Tracking:** Centralized databases, regular stock counts, and secured storage.
- **Financial Monitoring:** Monthly reconciliations, budget-to-actual comparisons, and risk-based audits.
- **Third-party Vetting:** All partners are screened against international sanctions lists and evaluated for integrity.

6. Reporting and Whistleblowing

SGMA encourages reporting through safe, accessible, and confidential mechanisms:

- **Internal Reporting:** Employees may report to line managers, HR, or the Compliance Officer.
- **Anonymous Submissions:** Secure digital forms and locked physical drop-boxes at SGMA offices.
- **Escalation Procedures:** Reports of serious or sensitive nature may be submitted directly to the Ethics Subcommittee.
- **Whistleblower Protections:** No retaliation will be tolerated against those reporting in good faith, regardless of the investigation outcome.
- **Confidentiality:** All reports are handled with discretion. Identities are protected unless disclosure is required by law.

7. Investigation Process and Sanctions

SGMA follows a structured and impartial process:

- **Initial Review:** The Compliance Officer assesses the credibility and scope of the complaint.
- **Investigation Plan:** Depending on severity, an internal or external investigation team is assigned.
- **Data Collection:** Interviews, document reviews, and forensic audits may be conducted.
- **Findings and Reporting:** A report is submitted to the Governance and Ethics Committee for action.
- **Sanctions:** Confirmed violations may result in:
 - Termination of employment or contracts,
 - Financial restitution,
 - Criminal referral to authorities in Germany or in operational countries,
 - Public reporting to donors and stakeholders, as necessary.
- **Restitution and Recovery:** SGMA will pursue recovery of lost assets or funds where possible.

8. Awareness and Capacity Building

To ensure organizational readiness:

- **Training:** Mandatory annual anti-fraud training for all staff and partners. Specialized modules for procurement, finance, and senior leadership.
- **Induction Programs:** All new joiners are briefed on the policy, its principles, and reporting channels.
- **Scenario Exercises:** Real-world case studies are used to promote practical understanding.
- **Feedback Mechanisms:** Surveys and workshops are conducted to gather suggestions for improvement.

9. Monitoring, Review and Updates

SGMA commits to continuous improvement:

- **Annual Review:** Conducted by the Governance and Ethics Committee.
- **Risk-Based Auditing:** Prioritizes areas with higher fraud exposure.
- **Policy Revisions:** Incorporates lessons learned, regulatory changes, and sector standards (e.g., from Transparency International, OECD).
- **Board Reporting:** Summary of investigations and corrective actions are submitted quarterly to the Board of Directors.

10. Organizational Culture and Leadership Commitment

- SGMA leadership is committed to modeling ethical behavior.
- Managers are required to proactively promote awareness of this policy and lead by example.
- Periodic messages from leadership reinforce the organization's anti-fraud stance.
- Organizational values are embedded in recruitment, performance appraisals, and promotions.

11. External Relations and Donor Coordination

- SGMA informs donors promptly of any suspected or confirmed fraud affecting donor-funded projects.
- SGMA cooperates with donor audits, evaluations, and joint investigations.
- Anti-corruption clauses are integrated into donor agreements and partner MoUs.
- Partners are required to implement equivalent anti-fraud policies.

12. Consequences of Non-Compliance

SGMA enforces consequences that are fair, consistent, and proportionate to the offense. These may include:

- Formal reprimand or demotion,
- Contract termination without severance,
- Civil or criminal legal action,
- Listing of individuals or entities in SGMA's internal watchlist.

SGMA will also review systems and controls to prevent recurrence of incidents.

Approved by the SGMA Board of Directors on: 01.01.2025

To be reviewed annually by the Governance and Ethics Committee.