

Anti- Fraud Policy



Implemented July 2025| Version 1.1

I. Purpose

Fraud can have a devastating effect on our association. Any allegations of fraud will be taken seriously, with no exceptions. All individuals, regardless of position, title, or tenure with YECED are expected to remain vigilant and report any suspicious activity to the compliance hotline.

The purpose of this policy is to establish controls that ensure the prevention, detection, and investigation of fraud, corruption, and other irregularities. These procedures foster a culture of fraud prevention, awareness, and accountability, and they clarify which actions are considered suspicious. They support a culture of operating within a comprehensive internal control framework, complete with documented and formalized policies, procedures, processes, and necessary safeguards. Additionally, this policy aims to protect the association's assets, reputation, and staff from fraudulent activities.

II. Scope

This policy applies to all employees, contractors, consultants, vendors, and any other parties involved with YECED.

III. . Definition of Fraud

Fraud is defined as any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. Examples include, but are not limited to:

- Forgery or alteration of documents (checks, bank draft, time sheets, invoices, agreements, etc.) or bank accounts belonging to the company or its subsidiaries.
- Misrepresentation of information on documents.

- Misappropriation of funds, supplies, or assets.
- Theft, disappearance, or destruction of assets.
- Improprieties in the handling or reporting of money or financial transactions.
- Authorizing or receiving payments for goods not received or services not performed.
- Authorizing or receiving payment for hours not worked.
- Inappropriate use of the company's records and disclosing confidential and proprietary information to outside parties.

IV. Policy Statement

YECED has zero tolerance for fraud and is committed to the highest standards of integrity and accountability. Any act of fraud will be thoroughly investigated and appropriate disciplinary action will be taken, including potential legal action.

V. Responsibilities

- **Board of Directors:** The board is responsible for setting the tone at the top by promoting a culture of integrity and zero tolerance for fraud. They must ensure that this policy is effectively implemented and that all necessary resources are allocated for its enforcement.
- **Executive Management:** Management is responsible for designing, implementing, and maintaining an effective system of internal controls to prevent and detect fraud. They must ensure that all staff are aware of the Anti-Fraud Policy and are trained in fraud prevention and detection.
- **Managers:** Department managers are responsible for monitoring their teams to ensure adherence to this policy. Each member of management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity. Management is responsible to report any potential instance of fraud or corruption to the Compliance Department, immediately
- **Employees/Volunteers:** All employees and volunteers are responsible for conducting themselves in an ethical manner and adhering to the organization's policies. They must remain vigilant and report any suspicious activities or potential fraud to their supervisors or through the established reporting channels.
- **Internal Audit/Compliance:** The internal audit or compliance department is responsible for independently reviewing and investigating reports of fraud. They must ensure that all investigations are conducted thoroughly and that

appropriate actions are taken when fraud is confirmed.

- **The MEAL Department:** Meal department is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as necessary.

VI. Procedures

1. Preventing Fraud

- The association has established internal controls, policies, and procedures to deter, prevent, and detect fraud and corruption.
- New employees and contractors will be subject to background investigations, including a criminal background check.
- Contractual agreements with partners will contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.
- YECED's employees will receive fraud and corruption awareness training. New hires will receive the training as part of their orientation at the commencement of employment and will sign a statement acknowledging that they have received and read the Sample Fraud Policy. All employees will receive fraud and corruption awareness training every three years.

2. Reporting Fraud

- Any person with a reasonable belief of fraudulent or corrupt acts must report it immediately to the MEAL Department. Failure to report in a timely manner can result in disciplinary action. All suspected fraudulent activity must be escalated to the Director of MEAL, and no further actions should be taken until the MEAL department is notified.
- Headquarters Staff - should report to their respective Department Director, who will report to the Director of MEAL.
- Field Office Staff - should report to their respective Field Coordinator, who will report to the Director of MEAL.
- Any suspected act involving Directors, Head of department, or Vice President should be reported directly to the Director of MEAL.
- Any suspected act involving the President/Board of Directors should be reported to the Audit Committee of the Board of Directors via the Director of MEAL.
- The reporting employee shall refrain from further investigation of the incident, confrontation of the alleged violator, or further discussion of the incident with

any other party unless requested to do so by their respective Director, the MEAL Department, or law enforcement.

- Retaliation and retribution will not be tolerated against any employee or Board member who reports suspected fraudulent or corrupt activities. However, if an employee is determined to have acted maliciously or with deceit, the employee is subject to disciplinary action.

3. Investigation

- The MEAL Department has the responsibility to ensure that all suspected fraudulent acts are properly screened and investigated.
- **Initial Assessment:** Upon receiving a fraud allegation, the MEAL officer or designated investigator will conduct an initial assessment to determine the validity of the report. This assessment will include gathering preliminary evidence and evaluating whether a formal investigation is warranted.
- **Formal Investigation:** If the initial assessment indicates that further investigation is needed, the MEAL Officer will initiate a formal investigation. The scope and approach will depend on the nature and complexity of the suspected fraud. Investigators may include internal auditors, legal counsel, or external specialists as necessary.
- **Gathering Evidence:** Investigators will collect and preserve all relevant evidence, including documents, electronic records, and witness testimonies. The investigation will be conducted impartially, ensuring that all parties involved are treated fairly and that confidentiality is maintained.
- **Interviewing Involved Parties:** Key individuals, including the person(s) reporting the fraud, the accused, and any witnesses, will be interviewed as part of the investigation. Interviews will be conducted professionally and confidentially to protect the integrity of the investigation.
- **Documentation:** All investigative steps, findings, and conclusions will be thoroughly documented. This documentation will include a detailed report summarizing the evidence collected, the methodology used, and the final determination.
- **Final Report and Recommendations:** Upon concluding the investigation, a final report will be prepared, outlining the findings and any recommended actions. This report will be submitted to the Board of Directors, the Department Head, and other relevant authorities as required.
- **Actions Following Investigation:** If fraud is confirmed, appropriate actions will be taken, which may include disciplinary measures, legal action, or changes to internal controls to prevent future occurrences. The organization will also take steps to recover any losses incurred due to fraudulent activities.

- If an investigation results in a recommendation to terminate an employee, the recommendation will be reviewed for approval by the respective human resources personnel, the employees' supervisor, the President, and if necessary, by legal counsel before any such action is taken.
- Individuals at all levels of the Organization will be treated equally regardless of their position, years of service, or affiliation with the company.

VII. Conclusion

YEÇED is committed to maintaining the highest standards of integrity, transparency, and accountability in all of its operations. This Anti-Fraud Policy reflects the organization's zero-tolerance approach to fraud, corruption, and other financial misconduct. By fostering a culture of ethical behavior and implementing clear procedures for prevention, detection, reporting, and response, YEÇED aims to protect its resources, beneficiaries, and reputation. All staff, volunteers, and partners are expected to uphold these principles and contribute actively to a fraud-free working environment. The policy will be regularly reviewed and updated to address emerging risks and to align with best practices and donor requirements.

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