

ANTI-FRAUD, BRIBERY & CORRUPTION POLICY
2022



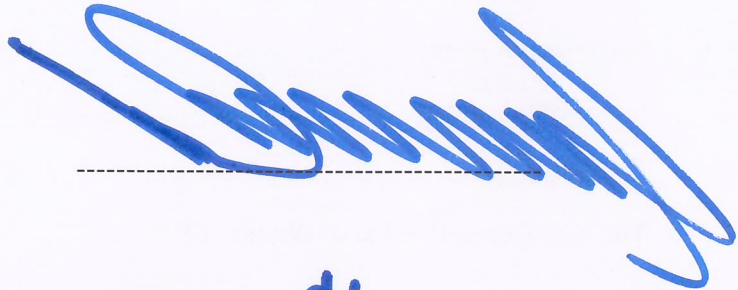
ROYAL SOCIETY FOR PROTECTION OF NATURE

This document is endorsed by the undersigned as of the day and date written below:

Date: May 17, 2022

Incorporators of this document:

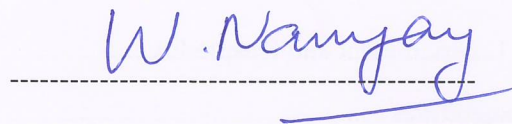
1. Mr. Phub Dorji,
Chairperson, Board Directors



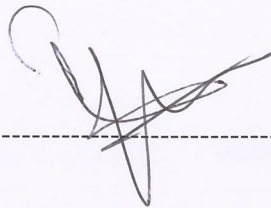
2. Kinley Tenzin, PhD
Executive Director



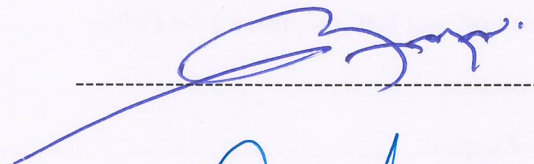
3. Mr. Wangchuk Namgay,
Director



4. Mr. Tshering Dorji,
Chief



5. Ms. Khachi Wangmo,
Project Officer



6. Ms. Kinley Gyem,
Receptionist



7. Mr. Tshering Dhendup,
Senior Driver

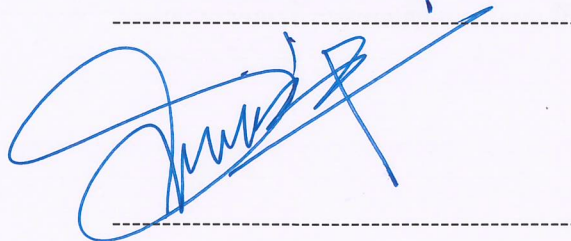


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1. Background

Royal Society for Protection of Nature (RSPN) was established in 1987 under the Royal Command of His Majesty the Fourth King Jigme Singye Wangchuck as a citizen based Non-Government Organization (NGO) devoted to the conservation of Kingdom's environment. His Majesty the King Jigme Khesar Namgyel Wangchuck was the Royal Patron of RSPN from 1999 to 2012 and today, Her Majesty the Queen Jetsun Pema Wangchuck is the Royal Patron of the Organization.

RSPN is the oldest environmental organization in the country and is registered with the Civil Society Organizations Authority (CSOA) as a Non-Profit Public Benefits Organization. The Board Directors provide overall guidance and directives in managing the organization. The Executive Director manages the day-to-day affairs of the organization and reports to the Board.

RSPN values Integrity and Commitment, Transparency, Accountability and Responsiveness, Equity & Inclusiveness, Rules of law, and Participation and Consensus oriented. Towards achieving these values, the respective safeguards, policies, manuals, guidelines, mechanisms, and Standard Operating Procedure (SoP) govern the functioning of the organization.

This Anti-Fraud, Bribery & Corruption Policy is designed to address situations in which governing bodies, committees and RSPN secretariat suspects an individual engaged in un-ethical practices or questionable conduct involving RSPN's assets and miss-use of authority, and violation of rules and regulations. The conduct might include outright theft (of equipment or cash), fraudulent expense reports, misstatements of any accounts to any manager or to RSPN's auditors, or even an employee's conflict of interest that results in financial harm to RSPN. This policy mandates Board Directors, RSPN management, oversight committees and secretariat to report such questionable conduct and has established system in managing it.

2. Purpose of this policy

This policy outlines the definition of fraud, bribery, and corruption, and define authority levels, responsibilities for action and reporting lines in the event of suspected, attempted or actual fraud, bribery and corruption.

3. Statement of policy

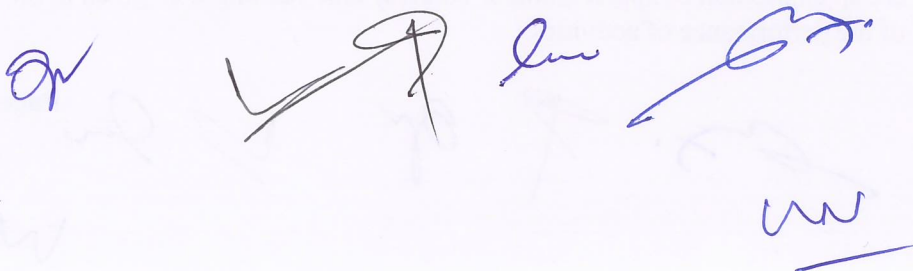
RSPN has a 'ZERO TOLERANCE' stance towards fraud, bribery, and corruption, and is committed to ensuring that its system, procedures, and practices clear the risk occurrence to an absolute zero.

RSPN commits to carry out any work with utmost honesty, accuracy, transparency and accountability, and decisions are taken objectively and free of personal interest.

RSPN shall seek to take disciplinary or legal action against those found to have perpetrated, been involved in, or assisted with fraudulent or other improper activities in any of its operations.

4. Scope of this policy

All RSPN employees including those stationed in the field offices, including governing bodies and committees, and associates of RSPN (interns, members, consortium of experts, consultants, suppliers, contractors, etc.) shall adopt this policy. Programs, projects and activities performed by employees and associates of RSPN shall adopt this policy.

The image shows several handwritten signatures in blue ink. There are four distinct signatures in a horizontal line, and a fifth signature below them. The signatures are stylized and difficult to read.

5. Standards

5.1. The Anti-Corruption Act of Bhutan, 2011

As a citizen-based organization, RSPN is mandated to comply with the Anti-Corruption Act 2011 and the Gift Rules 2017 of the Kingdom of Bhutan.

5.2. Obligations

- 5.2.1. RSPN needs to protect the organization against fraud and the risk of involvement in bribery and corruption.
- 5.2.2. RSPN is required to report any actual or suspected incidents of fraud, bribery, and corrupt act to the management and then to the Anti-Corruption Commission.

6. Prevention and protection

RSPN seeks to monitor risk and regulate the actions of all the employees exposed to the risk of corruption and ensure that appropriate rules and regulations are established in place to prevent fraud, bribery, and corruption. Priorities of prevention are then determined according to the degree of fraud, bribery, and corruption. RSPN shall set out full protection of the reporter(s) and the whistle-blower(s) (refer RSPN Whistle Blower Policy).

7. Guidance

7.1. Conflict of interest declaration

Where employee and associates of RSPN have professional or personal relationship with partners other than those relating to normal work, the employee and associates shall have to declare the conflict of interest, so appropriate decisions can be taken on managing the employees and organizational relationships, and also to protect and prevent the employees and associates from involving in corrupt practices.

The declaration of interest should be followed, where there is any possibility of a conflict (refer RSPN Conflict of Interest Policy).

7.2. Gifts, Entertainment and Hospitality

The following is intended to help employees and associates to judge what sort of gift, and what level of hospitality is acceptable (whether giving or receiving);

- 7.2.1. Where RSPN is the recipient, the offer should always be rejected where;
 - 7.2.1.1. it is believed that the giver has an ulterior motive,
 - 7.2.1.2. the offer is from anyone who is, or maybe in the foreseeable future, tendering for any contract with, seeking employment with and any other favors for gainful motives at the cost of the organization.

7.2.2. Exceptions in relation to gifts

- 7.2.2.1. RSPN employees and associates may give and accept gifts of nominal value that are an expression of appreciation or courtesy and that might be given in the course of the performance of activities.

- 7.2.2.2. RSPN employees and associates may accept unsolicited gifts on behalf of the RSPN. Gifts accepted on behalf of RSPN shall be notified to the management who will advise on the disposal of such gifts.
- 7.2.2.3. RSPN employees and associates may accept invitations that are necessary for the exercise of activities, such as meals, diplomatic receptions and transportation, provided these are free of ulterior motives.
- 7.2.2.4. RSPN employees and associates may participate in activities that are part of their roles and functions in relation to activities, that have been authorized by the RSPN management and in which the organizing entity covers the accommodation, travel and subsistence allowance in line with their rules and regulations.
- 7.2.3. It is recognized that given the nature of RSPN's relationship with its partners, it may pay for accommodation, subsistence, etc. as part of the project delivery. Employees and associates must therefore assess each specific set of circumstances and use their discretion in determining such payments.
- 7.2.4. If any member of the employees and associates is in doubt about the acceptability of any gift or offer of hospitality, it is their responsibility to consult the management.

8. Responsibilities

In general, all the employees and associates shall be responsible for putting the statement of policy principles into practice and for reporting any breaches they discover. The specific responsibilities are as follows:

8.1. Board Directors

- Ensuring the policy is being implemented and in practice;
- Ensuring fair and transparent decisions in delivering justice;
- Preventing and detecting fraud;
- Reviewing and revising the policy.

8.2. Executive Director

- Ensuring an adequate system of internal control exists and operate effectively;
- Preventing and detecting fraud;
- Assessing the types of risk involved in the operations;
- Reviewing the control systems regularly;
- Ensuring internal controls are complied with and the systems continue to operate effectively;
- Implementing new controls to reduce the risk of repeated irregularities.



8.3. Employees and associates:

- Acting with propriety in the use of RSPN's resources and dealing with partners;
- Conducting themselves with selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Being alert to the possibility that unusual events or transactions could be indicators of irregularities;
- Alerting line manager when they believe the opportunity for fraud, bribery and corruption exists;
- Reporting details immediately if they suspect that fraud, bribery, and corruption has been committed or see any suspicious acts or events; and
- Cooperating fully with whoever is conducting internal checks, reviews and investigations.

9. Procedure

9.1. Implementation and Enforcement of the Policy

9.1.1. Reporting suspected cases

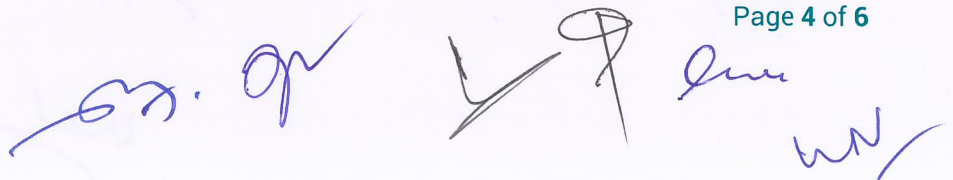
It is the responsibility of all employees and associates of RSPN to report any suspected cases of fraud, bribery, and corruption related cases to the management at the earliest possible and may do so with safe and confidential, either through direct reporting to the line manager or through Whistle Blower Policy (refer RSPN Whistle Blower Policy).

9.1.2. Managing reported cases

- 9.1.2.1. The Disciplinary Committee shall set up an internal investigation team to investigate any suspected fraud, bribery and corruption. Detailed processes for managing the reported cases are enshrined in RSPN Whistle Blower Policy & Procedure;
- 9.1.2.2. The team in consultation with the committee and management, shall examine actual or suspected cases, at the institutional level; and
- 9.1.2.3. In all cases, any details of the suspicions or allegations must be kept confidential and limited to only those who need to know.

9.1.3. Prevention of Further Loss

- 9.1.3.1. Where the initial investigation provides reasonable grounds for suspicion of fraud or bribery, the Discipline Committee in consultation with management shall decide how to prevent further loss.
- 9.1.3.2. If the individual under suspicion is an employee, including governing bodies and committees, and associates of RSPN, this may require the suspension of the person(s) alleged to have committed the suspected fraud or irregularity, with or without pay.
- 9.1.3.3. It may be necessary to plan the timing of the suspension to prevent the individual(s) from destroying or removing evidence that may be needed to support disciplinary or criminal action.



9.1.4. Referral to External Agencies

9.1.4.1. In the event the Disciplinary Committee suspects fraud, bribery, and corruption with clear evidence from the preliminary investigation, the cases shall be referred to Anti-Corruption Commission or relevant law enforcement bodies.

9.1.5. Anti-Corruption Commission or Law Enforcement Bodies, and handling of the cases.

9.1.5.1. As per the standing Acts, Rules and Regulations, and Procedures, Anti-Corruption Commission or law enforcement bodies, shall take over the actual or suspected fraud, bribery, or corruption cases.

9.2. Non-Compliance

9.2.1. Where individuals do not comply with this policy, they risk suspension or loss of employment and may be reported to external agencies.

9.3. Methods of appeal

9.3.1. Disciplinary codes for employees and associates contain information on the right to appeal.

10. Review and Revision

The policy shall be reviewed by RSPN annually or when deemed necessary that additional issues need to be identified and addressed, such as with a significant change in context or program or change to legislation, and be endorsed by the Board Directors.

11. Definitions

11.1. Fraud describes a number of activities including theft, false accounting, embezzlement, bribery, and deception, with three classes of fraud:

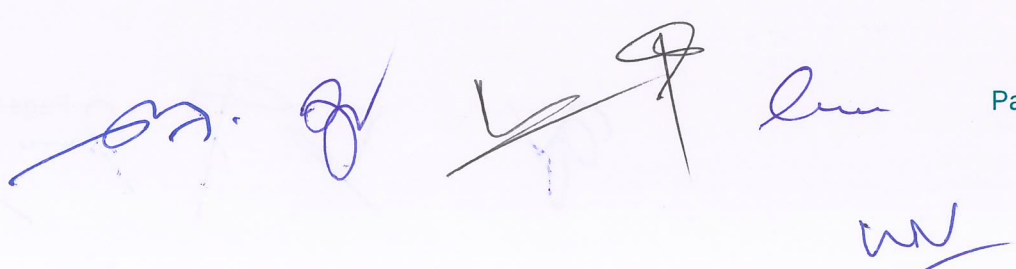
11.1.1. False representation: a person commits fraud by intentionally and dishonestly making a false representation. A false representation includes intentionally giving a misleading or untrue statement.

11.1.2. Failing to disclose information: a person commits fraud if they dishonestly fail to disclose information.

11.1.3. Abuse of position: a person commits fraud if they dishonestly abuse their position.

To have committed fraud a person must have acted dishonestly, and with the intent to i) make a gain for themselves or anyone else and/or ii) cause loss to anyone else, or expose anyone else to a risk of loss.

11.2. Bribery (Anti-Corruption Act of Bhutan, 2011) is where a financial or other advantage is offered as a reward to another party to persuade them to carry out their functions improperly. Bribery can be through the offering, promising, giving, demanding, or accepting of an advantage such as gifts, hospitality, fees, rewards, jobs, internships, examination grades, or favors.



Action is still classed as bribery regardless of whether the bribe is given or received directly or through a third party or whether it is for the benefit of the recipient or someone else.

The action or exchange of a bribe does not need to have taken place – promising to give or agreeing to receive a bribe would be considered bribery

- 11.3. Corruption is the misuse of entrusted power for personal gain. This would include dishonest or fraudulent behavior by those in positions of power, offering, giving, and receiving bribes to influence the actions of someone in a position of power or influence, and the diversion of funds for private gain. It would also include intangible benefits such as status and information.
- 11.4. Conflict of interest is where an individual has private interests that may or actually do influence the decisions that they make as an employee or representative of an organization.

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