

REPUBLIC OF BURUNDI



MINISTRY OF ENVIRONMENT, AGRICULTURE AND LIVESTOCK

BURUNDIAN OFFICE FOR PROTECTION OF ENVIRONMENT



ANTI-FRAUD, ANTI-CORRUPTION AND MISCONDUCT MANAGEMENT POLICY

GITEGA, May 2020



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GLOSSARY

Allegation	Declaration or accusation by a person that an act contrary to the rules and principles contained in this policy has been or would have been committed. It is not wrong, in this case, to provide evidence or name the suspects, but there is usually a stated basis for the charge.
Conflicts of interest	Constitutes any situation of apparent, real or potential interference between a public interest and public or private interests which is likely to influence or appear to influence the independent, impartial and objective exercise of its functions.
Internal Control	A process performed by a governing body, administration and other employees and designed to provide reasonable assurance that risks are managed in a manner that ensures the achievement of the objectives of the BOPE.
Corruption	An act by which a person or entrepreneur of an entity acts in a manner contrary to the interests of the entity and abuses its position of trust to achieve personal gain or benefit for itself or for another person or entity.
Investigation	Procedure intended to establish the reality of the facts which are the origin linking a person or an organization to a behavior which breaks the law or the policies and procedures of the BOPE.
Risk assessment	Process used to analyze the risks, in particular the risks of fraud, which can harm the objectives of the BOPE or prevent from achieving them, and which makes it possible to determine if these risks must be avoided, mitigated, transferred or accepted.
Fraud	The use of deception by a person with the intention of obtaining a benefit for themselves or for a third party by evading an obligation or by causing harm to another party. Fraud includes, among other things, offenses such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, embezzlement, misrepresentation, concealing facts and collusion.
External Fraud	Fraud committed by an external party, within the framework of its relations with the BOPE.
Internal Fraud	



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	Fraud committed by a member of the staff of the BOPE in the exercise of their functions.
Immediate dismissal	Immediate dismissal of an employee by the BOPE, as soon as he is notified thereof and without severance pay which could be granted according to public sector conditions, based on the fact that the employee has violated certain provisions of his employment contract (including local service conditions).
Staff member	For the purposes of this policy, any person bound to the BOPE by an employment contract, including State officials assigned to the BOPE and the personnel of a project administered by the BOPE; members of its Board of Directors, interns and possibly volunteers working for the BOPE and persons seconded to the BOPE by other organizations, all of the aforementioned, wherever they are.
Partner	Organization or company that finances or provides services for the BOPE.
External Party	Any natural or legal person, other than BOPE staff members.
Fraud Prevention	Strategies designed to actively reduce or eliminate internal or external fraud.



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1. INTRODUCTION

The Burundian Office for the Protection of the Environment (BOPE) is committed to promoting and adhering to the highest standards of probity and responsibility in the use of its resources and to applying zero tolerance to cases of fraud and corruption in its activities. He has become aware of the levels and types of risks he must manage in order to place himself among the world leaders in the fields of environment and sustainable development. This policy aims to strengthen internal control and standards for the management of the risks of fraud and corruption at the BOPE. By adopting this policy, the BOPE wants to be an organization committed to respecting the taking into account of ethical values in its management and administration, an organization concerned with preserving the trust of its administrators, staff and partners.

The BOPE is also committed to ensuring that its policies, procedures and practices are consistent with best practices and with the highest standards of ethical conduct. Staff, providers (consultants, suppliers), and partners are expected to act in an ethical, fair and honest manner.

This policy is the framework for raising awareness of what constitutes fraud, corruption and mismanagement in initiatives supported by the BOPE and presents the measures which the Office requires to be put in place to detect and combat the scourges above cited. It is an affirmation of the BOPE's commitment to prevent and combat fraud and corruption in operations supported by the Office. This claim is prompted by the overwhelming negative impact of corruption, fraud and mismanagement on development assistance.

The policy applies to all BOPE staff and partners and to members of the Board of Directors. It must be read and applied by the administrators, staff and partners of the BOPE.

2. DEFINITION

Fraud, as defined by the French Institute of Internal Control (IFACI), consists in deliberately deceiving others to obtain an illegitimate profit, or to circumvent legal and regulatory obligations. Fraudulent behavior therefore presupposes a factual and intentional element as well as a process for concealing the unauthorized act.

According to the same source, IFACI, the elements used to characterize fraud are listed below:

Element	Remarks	Examples
Deliberate / Intentional	It is not a mistake The tax dodger commits an action of which he knows the unauthorized character. Fraud can be an action or an omission.	<ul style="list-style-type: none"> ▪ Using the profile of another user to carry out fraudulent transactions in the information system. ▪ Intentional alteration of data in information systems making it possible to embezzle assets. Conversely, modifications of data committed in error are not fraud. ▪ Intentional omission of significant information in internal or external publications (financial or operational). Conversely, erroneous reporting due to a weakness in the development or control process is not fraud. ▪ Also, a lack of control of outflows due to insufficient control means or weak organization is not a fraud.
Profit sought	The motive for fraud is not exclusively material gain.	<ul style="list-style-type: none"> ▪ Approval of assets, financial gains, financial benefits or in kind for oneself or for someone close to them. ▪ Other types of benefits can be sought:



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		<ul style="list-style-type: none"> - desire for recognition, - desire to preserve a reputation for oneself or one's entity, - "gamer" spirit of the tax dodger who enjoys the pleasure of not being caught "hand in the bag", - impression of acting in the interest of the organization (corruption in obtaining or renewing contracts, anti-competitive agreements to preserve market share, - Tax fraud, falsification of accounting documents, etc.).
Factual	Fraud takes the form of behavior and acts. These objective elements make it possible to assess the impact of fraud.	<ul style="list-style-type: none"> ▪ Theft of physical cash.
Dissimulation	This element is a corollary of the illegitimate nature of fraud. It justifies any complicity.	<ul style="list-style-type: none"> ▪ False and use of false. ▪ Accounting entries allowing to conceal fraudulent cash movements. ▪ Falsification of tracking data of goods received / shipped in order to conceal theft of products from storage sites in collusion with other employees. ▪
Stakeholders	Fraud can be committed by a person or an organization, internal or external to the organization. The distinction between internal fraud and fraud outside the organization is useful for defining prevention and detection methods. However, this distinction is not strictly discriminatory in terms of definition.	<ul style="list-style-type: none"> ▪ Theft of assets from third parties to the organization without internal complicity. ▪ Embezzlement by an employee in an organization that does not ensure sufficient separation of tasks. ▪ Theft of the organization's products by third parties helped by an internal complicity facilitating access to and / and concealing the evidence. ▪ Acting of collaborators without complicity of third parties external to the organization. ▪ Actions of third parties. ▪ Collusion / Complicity between collaborators and third parties.

□ OTHER DEFINITIONS

✚ Corrupted Practice

It is about giving, receiving or soliciting something directly or indirectly to influence the actions of another party.

✚ Fraud

It is recognized as a subset of corruption. It is defined as a dishonest activity that causes actual or potential financial loss to another person or entity, including the theft of money or other property by employees or persons outside the entity, whether or not by using deception at that time, just before or immediately after the activity. This also includes willful forgery, dissimulation, destruction, use or intent to use forged documents in a normal transaction or the improper use of information or position.

✚ Fraudulent practice

It is any act or omission, including a misrepresentation that, knowingly or in error, deceives or attempts to deceive a third party for financial or other benefit or to avoid an obligation.



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Collusion Practice

It is an arrangement between two or more parties to achieve an inappropriate objective, including inappropriately influencing the actions of the other party.

Coercive Practice

It is the act, directly or indirectly, of weakening or threatening to weaken a third party or his property, to harm him or to harm his property or to threaten to do so, for the purpose of inappropriately influence the actions of the latter.

Obstructionist Practice

It involves destroying, falsifying, altering or concealing evidence in an investigation or making false statements to investigators in order to materially impede an investigation into allegations of practice.

3. THE MAIN FORMS OF FRAUD

Fraud comes in 3 forms:

Type	Definition	Example
Fraude interne	Make actively or passively intervene the BOPE's worker(included deloyal behaviour, the salaried-employees, the misappropriation of funds, malicious intent)	<ul style="list-style-type: none"> ▪ Fraudulent usage or theft of the pass word to have access that is not permitted to the computer programs ▪ Giving false, deceiving or uncomplete information on purpose close to BOPE, donors, partners or other business affairs or a deliberate refusal to provide the information when it is mandatory to do it. ▪ Misuse of the funds from the partners ▪ Violation of supplying in order to deliberately break the pre established procedures ; ▪ Manipulation of tender documents in order to give the unfair advantage to one or many applicants by breaking the transparence, equity requirements in competitive tender process; ▪ Sumptuous, unuseful or excessive expenses ; ▪ Prohibited and without guaratee advances on salaries; ▪ Falsification of documents and signatures ; ▪ Recruiting someone because of personal relationship or motivations without taking into account someone's competences ; ▪ Ignoring to denounce the conflict of interest (financial and non-financial) real, percieved or; potential. ▪ Losing the independence because of the conflict of interest ; ▪ Accept the private gifts to facilitate someone to have some advantage ; ▪ The use of the project resources/ program for the particular interests ▪ Internal fraud Involves the active or passive participation of an BOPE worker (includes unfair behavior, bribery of employees, embezzlement, malicious intent with intent to harm) ▪ Fraudulent use or theft of password to gain access not authorized to computer systems; ▪ Misuse of revenue from partners; ▪ Violation of procurement rules in order to deliberately circumvent established procedures; ▪ Manipulation of tender documents in order to give an unfair advantage to one or more tenderers in violation of the requirements of transparency and fairness in the tendering process;



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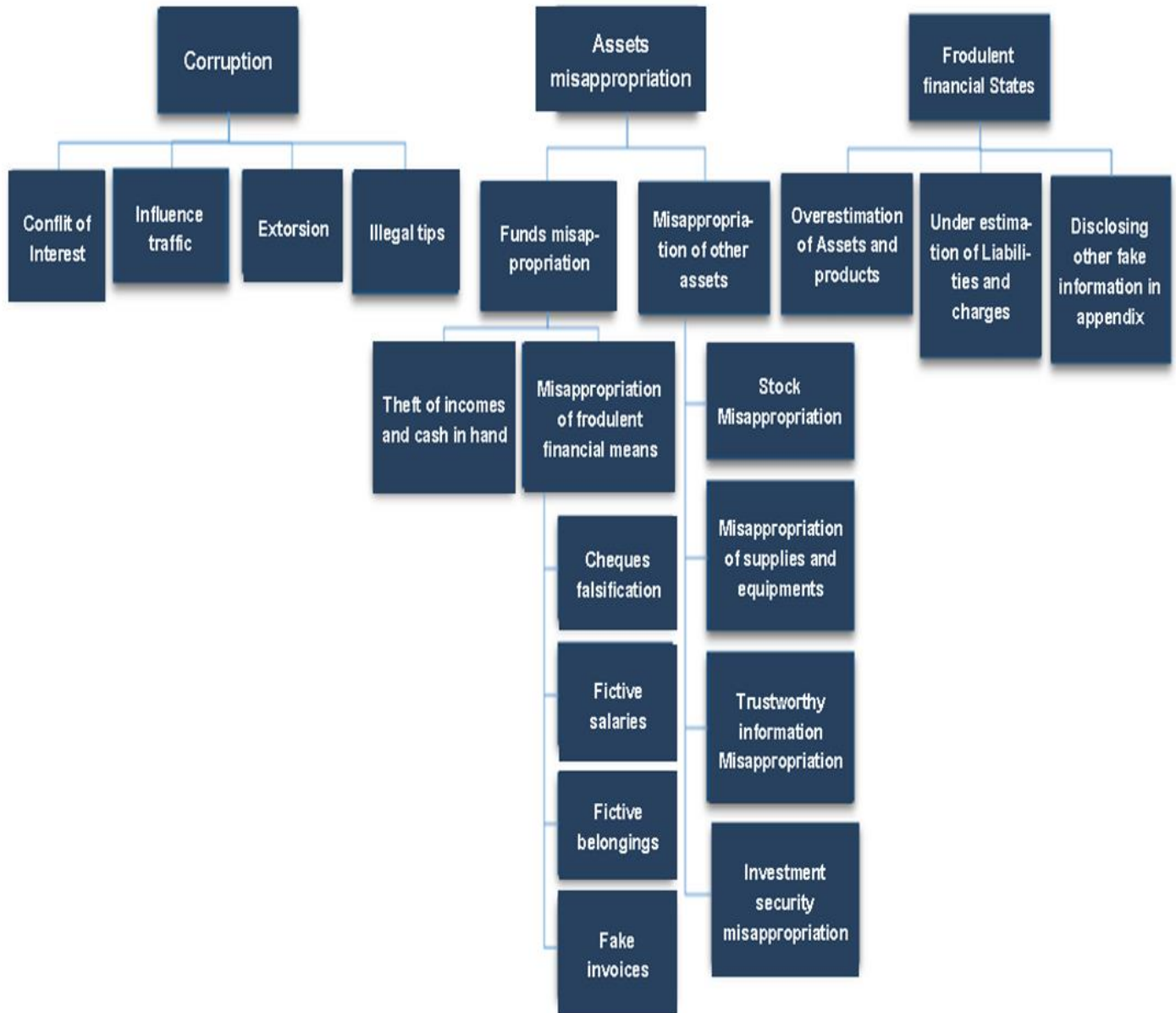
		<ul style="list-style-type: none"> ▪ Sumptuous, complacent or excessive expenses; ▪ Unauthorized and unsecured payment advances; ▪ Falsification of documents and signatures; ▪ Recruitment to a position because of personal relationships or motivations and not on the basis of merit; ▪ Absence of denunciation of a real, perceived or potential conflict of interest (pecuniary and non-pecuniary); ▪ Loss of independence due to a conflict of interest; ▪ Acceptance of personal gift to help a person to obtain any advantage from the Office; ▪ Use of project / program resources for specific interests; ▪ Obtaining fraudulent payments such as fictitious jobs, or for tasks not performed; ▪ High operational expenses and without supporting documents; ▪ Claim of rights linked to a trip without having made it; ▪ Certification of the performance of a service on the basis of a declaration without being certain that the service has been rendered or that the conditions for disbursement have been met; ▪ Manipulation of the selection process for the appointment of staff; ▪ Use of an organization's time and equipment for private tasks; ▪ Using imagery or desktop publishing to produce invoices similar to the original.
External Fraud	Makes individuals act to the detriment of a company, its customers or third parties	<ul style="list-style-type: none"> ▪ Collusion or other anti-competitive agreements between suppliers in the context of tenders. ▪ Identity theft; ▪ Interception and falsification of invoices (beneficiary account number); ▪ Interception and falsification of orders, as a result of which the goods are not delivered to the correct destination; ▪ Falsification of voice, signature, emails in order to impersonate a person and commit financial embezzlement.
Mixed Fraud	Involves the active or passive participation of a worker in the company in collusion with outside individuals	<ul style="list-style-type: none"> ▪ False statements in order to obtain a financial or other advantage to which a person is not entitled; ▪ Proposal or obtaining something of value in order to influence a purchasing process; ▪ Requesting or obtaining money against providing information to a supplier in the course of providing goods and services; ▪ Request or obtain a personal reward or any other private gain for having acted in favor of a candidate in a recruitment process; ▪ Theft or illicit use of BOPE property; ▪ Invoicing BOPE for goods and services that have not been delivered or performed; ▪ Manipulation of tenders / contract splitting to avoid launching tenders, acceptance of late tenders, collusion with suppliers and process to obtain the desired results; ▪ Disclosure of confidential information before the procurement process comes to an end, in order to give a third party an advantage over the others; ▪ Acceptance of bribes for the identification, preparation and submission of third-party project evaluation reports; ▪ Misuse or disclosure of official information; ▪ Cancellation in writing of goods and debts all recoverable; ▪ Establishment of checks for the benefit of false people.



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4. FRAUD PRINCIPAL TYPOLOGIES

The principal typologies of fraud are summarized in the following Fraud tree:

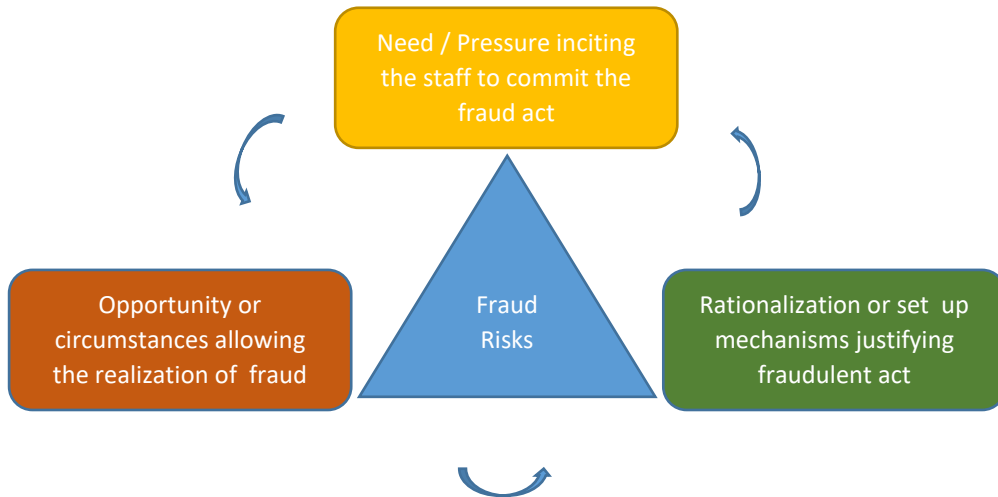




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5. THE MAIN FACTORS FOR THE RISK OF FRAUD

Fraud risk factors are facts or situations that indicate the existence of incentives or pressures to commit fraud, or that offer the opportunity to do so. These risk factors can be analyzed through Donald Cressey's Fraud triangle:



- **The need** or the pressure linked to a pressure which incites to commit the fault: it can be, for example, a financial pressure (medical care, addiction to games, important debts or invoices to settle),
- The opportunity made possible because of internal control flaws, namely lack of control, poorly performed control or easy circumvention of control, extended access rights, etc.). It is this weakness of internal control that makes fraud possible. The tax dodger considers that the risk of being caught is low,
- **Rationalization** can be explained by making the fraudulent act acceptable to the person who committed the fraud.

Need / Pressure	Opportunity	Rationalization
<ul style="list-style-type: none"> o Overly demanding performance indicators; o Remuneration system; o Need for recognition; o Unfavorable economic context; o Changes in the environment or in the organization (regulatory constraints for example); 	<ul style="list-style-type: none"> o Flaws in the internal control system (absence of controls, ineffectiveness of controls in place, possibility of circumventing controls, absence of sanction, etc.) o Unbalanced governance system (absence of compensatory procedures / controls, etc.) o Organizational and / or information system change 	<ul style="list-style-type: none"> o Rationalize the fraudulent act as being due in relation to its values and its own ethics; o Self-justification based on arguments such as: <ul style="list-style-type: none"> - a missed promotion; - a premium not granted; - "Everyone does the same thing". o An ethical environment that does not promote good behavior, which then makes it easier to justify the fraudulent act.



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<ul style="list-style-type: none"> o External incentives (passive corruption); o Financial difficulties of the potential fraudster (debts, gambling, project, etc.). 	<p align="center">(turnover of managers, etc.)</p> <ul style="list-style-type: none"> o Dominant position vis-à-vis Project / program promoters or suppliers. 	
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6. THE MAIN ACTORS INVOLVED IN THE MANAGEMENT OF FRAUD AND CORRUPTION

The main actors involved in the management of fraud and corruption are:

- Board of directors,
- The Audit Committee,
- The Ethics Committee,
- The Director General,
- Hierarchical managers,
- The internal auditor,
- The staff of the BOPE.
- The roles and responsibilities of the actors in the fight against fraud within the BOPE are described below:

✚ Board of Directors

The Board of Directors oversees and monitors the implementation of measures to reduce the risk of fraud. It is responsible for:

- Approve the system set in place to combat fraud,
- Approve the anti-fraud policy,
- Examine the Director General's regular reports on the evolution of fraud risks and the measures to be taken to prevent such fraud,
- Examine the regular internal audit reports of the Internal Auditor
- Examine cases of alleged fraud in which the Director General or the internal auditor would be involved,
- Protect “the whistleblower” against reprisals.

✚ Audit committee

The Audit Committee, on delegation from the Board of Directors:

- Oversees the prevention program and coordinates the monitoring of the risks of fraud and corruption and reports thereon to the Council,
- Ensures the implementation of an awareness program for Office workers on the risk of fraud and corruption,
- Examines fraud policies and procedures before their approval by the Council,



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- Monitors the effectiveness of the internal control and risk management system implemented by the BOPE, paying particular attention to the risks of fraud and corruption,
- Becomes aware of the fraud risk assessment work through a mapping of specific risks,
- Monitors the effective implementation of appropriate action plans and detection programs,
- Ensures that the anti-fraud and anti-corruption policy is defined and well applied.

Ethics Committee

The Ethics Committee participates in the fight against fraud by ensuring compliance with ethical principles and good ethical practices.

General manager

The Director General has the roles and responsibilities of:

- Report all cases of alleged fraud to the Board of Directors,
- Ensure the application of the anti-fraud policy,
- Set a good example in terms of professional ethics and good conduct,
- Make it clear that fraud is not tolerated by the BOPE (zero tolerance principle),
- Set up mechanisms to report suspected fraud and other problems relating to fraud risk management,
- Ensuring that staff are sufficiently informed of the anti-fraud policy and that suitable training is provided to staff,
- Implement internal control measures aimed at detecting, reporting and discouraging fraud in economic measures and in relation to the significant importance of the risks identified,
- ensure that staff feel free to report a case of fraud without fear of reprisals,
- Ensuring the protection of fraud whistleblowers
- Initiate and facilitate the detection of fraud and its disclosure,
- Determine whether each risk, assessed according to its probability and seriousness, should be prevented, mitigated, transferred or accepted,
- Ensure that measures are taken quickly following any allegation of fraud and any proven fraud case; arrange to investigate allegations of fraud and ensure that prompt and vigorous investigations are undertaken without delay,
- Take disciplinary measures against the perpetrators of the fraud and the hierarchical superiors whose omissions favored the realization of the fraud and ensure that appropriate measures are taken to recover the assets,



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- If necessary, communicate with the main partners affected by the fraud in order to reassure them that all the necessary measures have been taken,
- Ensure that fraud cases are followed up in a timely manner and strengthen prevention measures,
- Prepare a report on the implementation of measures designed to reduce the risk of fraud,
- Periodically assess the general risks to which the BOPE is exposed as well as the specific risks,
- Take the appropriate measures if an BOPE official is found guilty of allegations made in good faith.

Hierarchical frameworks

Line managers are responsible for:

- Assess the possible risks of fraud in their area of responsibility and ensure that an effective internal control system exists and operates to manage these risks,
- Ensure that the internal control measures relating to their activities are properly applied and respected, and make it possible to cover the risks identified,
- Encourage staff to report reasonable suspicions of fraud by taking all allegations seriously and promptly reporting their reports on the allegations to the internal auditor.

Internal Auditor

The internal auditor is responsible for:

- Encourage deterrence and prevention of fraud by evaluating the effectiveness of internal control and regularly reporting on its efficiency to the Chief Executive Officer and the Board of Directors,
- Draw up a risk map (including the risks of fraud)
- Receive fraud reports from BOPE staff,
- Advise the CEO by determining the extent of the fraud,
- Conduct internal investigations, if necessary, between all the measures taken subsequently and the results of these measures,
- Produce an annual activity report addressed to the Chief Executive Officer and the Board of Directors in which cases of proven or suspected fraud are exposed,
- Review the implementation of changes to the internal control system following a case of fraud in order to assess their effectiveness.



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BOPE Staff

BOPE staff must:

- Take internal training courses on risk management and fraud prevention,
- Adopt the code of ethics and professional conduct and the anti-fraud policy considered as an integral part of their employment contract with the BOPE,
- Behave in a suitable manner and in accordance with laws and regulations when using BOPE resources,
- Aware at all times of the possibility of fraud and report questionable behavior to their supervisor or the Internal Auditor; or the General Manager.

7. MEANS OF PREVENTION AND DETERRENCE

a. The governance system

The governance of fraud risks corresponds to the way in which the Board of Directors, the Audit Committee, the Ethics Committee, General Management and the Internal Auditor fulfill their respective obligations so that the organization achieves its objectives including its responsibilities to stakeholders. Governance must ensure that the BOPE develops and implements a rapid, confidential and efficient system for reviewing, investigating and resolving cases of non-compliance and allegations of fraud and default.

b. The control environment

The control environment establishes a framework conducive to the assessment of risks likely to affect the achievement of objectives.

The most decisive method for preventing fraud is to maintain a general control environment that is both ethical and transparent. Management must adopt behaviors that encourage staff to avoid bad practices. Senior management must lead and lead by example to be credible. This concerns both compliance with procedures and benefits. This requirement must be reflected in all the management, because the lack of example is often a risk factor. A culture of self-control, interpersonal communication and efficiency in individual work must be observed within the BOPE. Management should encourage officers at all levels to participate actively in preserving the reputation and resources of the BOPE. The control environment must be generally favorable to the culture of effective internal controls. This implies:

- the clear formulation of moral values in the BOPE code of ethics, to which all staff must comply, which they must promote to third parties, and which the Office constantly applies,
- Maintaining social cohesion within the staff, with legal working hours,



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- Developing, disseminating and enforcing a clear fraud policy, including sanctions for breaches,
- Clarification of conflicts of interest cases and their settlement,
- Efforts to raise staff awareness of fraud and train them in the fight against fraud and corruption.

c. The internal control system

The BOPE's internal control system takes into account the risk of fraud at all levels:

- First level control through the controls described in the procedures to cover the risk of fraud.

The second and third checks through the control plans which integrate the risk of fraud.

The BOPE has set up an internal audit function which is both a preventive and detecting device for fraud. It has a preventive role since the temptation to fraud is often deterred by the existence of control mechanisms.

d. The information system

The BOPE's information system must be reliable and efficient, thus making it possible to obtain information on potential fraud and to deploy a coordinated approach to investigation and corrective measures to deal with fraud appropriately and on time.

Configuring authorizations and blocking certain transactions at the information system level reduce the risk of fraud. The second and third checks through the control plans which integrate the risk of fraud.

e. Anti-fraud Policy

BOPE's anti-fraud policy is incorporated by reference into all the instruments governing employment relations, contractual or institutional, between them and natural or legal persons. It describes the anti-fraud system and constitutes a deterrent to fraud. It is disseminated to all BOPE staff.

f. Vigilance during recruitments

When recruiting BOPE staff, integrity plays an important role in the selection criteria to prevent fraud and other corruption practices. For this reason, the obligation to assess integrity when recruiting staff is included in all the terms of reference. Also, candidates are required to declare family and marital relations with other agents of the BOPE.



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g. The Code of Ethics and Professional Conduct

The BOPE has a code of ethics and professional conduct which defines a number of principles and values relating to integrity, impartiality, honesty, professionalism and probity. BOPE personnel are required to comply with this code.

The code strengthens employee support in the fight against fraud.

h. Awareness and training

Awareness, information and training are the fundamental principles for the prevention and detection of BOPE fraud.

In order to ensure that agents are aware of their responsibilities in the fight against fraud and the adoption of ethical behavior, the BOPE has set up a communication, dissemination and awareness plan regarding this Policy, which must be integrated into BOPE's processes and procedures.

To this end, the BOPE reaffirms, for the benefit of its staff, the obligation to report any act of fraud or other type of corruption, as already required by its Internal Regulations and its code of ethics.

New recruits receive targeted training and former officers will receive periodic refresher training.

The following components are included in fraud communication and awareness programs:

- The references of the policy against fraud on the BOPE website,
- The definition and characteristics of fraud and awareness of the fact that it may involve the attempt to obtain benefits, both tangible and intangible,
- The need to adopt ethical behavior and the fact that it is up to all agents to avoid fraud,
- Details of the BOPE's anti-fraud policy,
- The clues to watch and which could indicate that fraud has occurred,
- The measures to be taken in the event of a reasonable doubt of fraud,
- Responsibilities related to the processing of allegations and to the investigation of fraud cases within the BOPE,
- The relationship between the anti-fraud policy of the BOPE and the code of ethics and professional conduct,
- The possible remedial measures to be applied when fraud is proven,
- Measures to ensure that third parties are aware of the BOPE's anti-fraud policy,

In addition, the BOPE:

- Provides awareness-raising sessions for external partners who are generally the first initiators of fraud or corruption,
- Attached to all service contracts a commitment clause on the anti-fraud policy,



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i. Fraud risk mapping

The BOPE must draw up a fraud risk map which enables the company to know its level of vulnerability and to put in place or reinforce preventive measures against fraud.

8. MEANS OF DETECTING FRAUD

a. The staff rotation system

The BOPE has set up a staff rotation system to limit possible situations of conflicts of interest and fraudulent practices. Conflict of interest situations do not necessarily lead to corruption, wrongdoing or other inappropriate activity. However, if such situations are not identified and managed properly, they could compromise (or be seen to compromise) the professional integrity of the persons concerned or announce a situation of potential fraud, and possibly affect the brand image of the company. 'BOPE. It belongs to the office staff to avoid situations where they may be seen to benefit directly or indirectly, or as allowing a third party to benefit unduly, from the decisions they may make.

b. Setting up alerts at the information system level

The BOPE has set up an information system alert system to identify, collect and report any breach likely to represent a case of fraud. The broadcast of alert messages must be confidential and data security required in order to protect the author of the alert, the persons involved and the subject of the alert.

c. Control activities

The actors involved in fraud management must respect their roles and responsibilities, in particular those relating to the various controls that they are called upon to carry out.

Internal and external auditors perform independent reviews to verify the effectiveness of internal control measures. The results of such examinations will be sent directly to the Director General.

Unannounced checks and internal audit missions are different ways of detecting fraudulent acts.

d. Whistleblowing

Staff are required to report any cases of fraud and to report any information relating to acts of fraud allegedly committed by other members of the staff of the Office.

- **Internal fraud:** must be reported, without being limiting, risks or attempts to commit wrongdoing. If an officer becomes aware of suspected fraud, he must note in writing any relevant details, including what was said or done, by whom, the date, the time, the place and the names of the persons involved.



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- **External fraud:** all the following actions by external parties must be reported:
 - Receiving a bribe or an incentive from a partner or supplier,
 - The receipt of fraudulent invoices (intentionally inaccurate rather than erroneous) from a supplier,
 - Known cases of corruption, deception or embezzlement on the part of a supplier or partner.

The reporting of a fraud case can be done either by an external party, by an agent or during an internal or external audit.

Depending on the situation of the person at fault, BOPE officers must report the fraud in writing to the internal auditor.

To protect their anonymity, officers can do so by letter to the internal auditor.

e. Confidentiality

All information provided to the internal auditor is treated confidentially. All reasonable allegations are dealt with systematically, with the utmost seriousness and are the subject of an appropriate investigation. As far as possible, confidentiality is maintained regarding all reports made in good faith and when reports are made anonymously, their anonymous nature is respected.

If it is found that an allegation has been made in a frivolous, slanderous manner, with the aim of obtaining a personal advantage or by revenge, disciplinary measures must be taken against the person who made these allegations.

f. Protection from retaliation for reporting fraud

The BOPE protects against retaliation against any whistleblower. The purpose of this policy of protection against reprisals is to enable the BOPE to identify and prevent fraud and other corrupt practices, and also to operate in a transparent and accountable manner. This objective is achieved by providing protection to agents and users who report acts of fraud or other corrupt practices, or who cooperate with a duly authorized audit or investigation.

The Director General is responsible for the protection of the whistleblower against reprisals against the BOPE.

g. Choice of appropriate measures by the internal auditor and the Managing Director

In principle, when fraud has been reported to the internal auditor, he discloses all relevant information to the Chief Executive Officer. If there is reason to believe that the latter may be involved, then the report must not be sent to it and must be sent to the Chairman of the Office's Audit Committee, who shall take the appropriate measures in the matter. Spirit of this policy.



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After consulting the Internal Auditor, the Director General decides whether the case should be handled internally or whether it is necessary to solicit the participation of an external service provider and if so, to what extent. The decision to solicit the participation of an external source depends on the scale and complexity of the fraud and the people involved.

h. Initial response to allegations of fraud

The Director General acts swiftly to decide on the measures to be taken depending on the gravity of the reported offense. A preliminary assessment of the situation must be produced by the Internal Auditor and be the subject of an initial report.

9. MEANS OF CORRECTION AND TREATMENT OF FRAUD

a. Asset Recovery

In the event of financial loss or loss of material property, damage must be repaired by those responsible for fraud or corruption. The following methods may be used:

- Agreement for refunds,
- Deductions from service payments,
- Civil proceedings in order to obtain a judgment for the damage,
- Conviction for compensation in criminal cases,
- Any other legal and acceptable means of recovery.

b. Punishments

In the event of an investigation or investigation which reveals the involvement of an BOPE worker in a case of fraud, theft, embezzlement, and the facts are considered to be proven, the Director General must give its opinion, after collecting the opinion of the Head of the Legal Affairs, Disputes and Treaties Unit. Depending on the severity of the fraud, a complaint may be made to the police; which leads to the end of the activities of the accused person and to proceed to his immediate dismissal.

If the fraud does not involve theft, embezzlement, the worker should be suspended from work without pay until the investigation is completed. The Director General must make his decision, after consultation. Disciplinary action could be taken against supervisors whose failings have contributed to the fraud, or against a worker who makes allegations in bad faith.

c. The insurance

The BOPE must take out insurance policies enabling it to protect its assets and ensure its viability. Insurance also allows the Office to cover itself against possible risks, the occurrence of which could affect its assets as well as its continuity.



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Insurance contracts are in the form of compensation payments to the Office following damage to insured property caused by embezzlement (theft, loss, etc.).

d. Monitoring and evaluation of the internal control system

As defined through principles 16 and 17 taken from the Founding Principles (17) of the new COSO for efficient internal control, the BOPE selects, develops and carries out continuous and / or ad hoc evaluations in order to check whether the components of the internal controls are well established and functioning. The Office assesses and communicates weaknesses in internal control in a timely manner to those responsible for corrective measures, in particular to General Management and the Audit Committee.

Following the detection of a fraud, the BOPE will focus on the flaws that gave the tax dodger the opportunity to carry out his act. Measures to strengthen internal control will follow in order to neutralize all areas of weakness.