

# Anti-Corruption Report **2014 – 2016**

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# Light for the World – who we are

## WHAT WE DO

Light for the World is an international organisation specialising in inclusive development. Our goal is an inclusive society that is open to all and leaves no one behind. We champion accessible eye care and support inclusive education and basic living conditions conducive to a self-determined life, so that persons with disabilities can participate with equal rights in society. Light for the World works closely with local partners, eye clinics and Disabled People’s Organisations. This enables us to apply donations in a targeted, sustainable way, to create lasting structures and pave the way to an inclusive society.

## OUR POLICIES

Light for the World has established several policies to guide our work strategically. Among these policies are: ‘Eye Health’, ‘Community Based Rehabilitation’, ‘Child Protection’, ‘Partnerships’, ‘Disabled People’s Organisations’, and ‘Anti-Corruption’.

## OUR GOVERNANCE AND STRUCTURE

Light for the World International is registered in Austria as a non-profit organization. Currently it has six core members in Austria, the Czech Republic, the United Kingdom, Germany, Switzerland, and US; and two associate members in Belgium and in the Netherlands. Country Offices exist in Burkina Faso, Ethiopia and Mozambique, as well as an EU office in Brussels.

## LIGHT FOR THE WORLD

### Members

Austria – Germany – Switzerland – Czech Republic  
Belgium – The Netherlands – United Kingdom – US

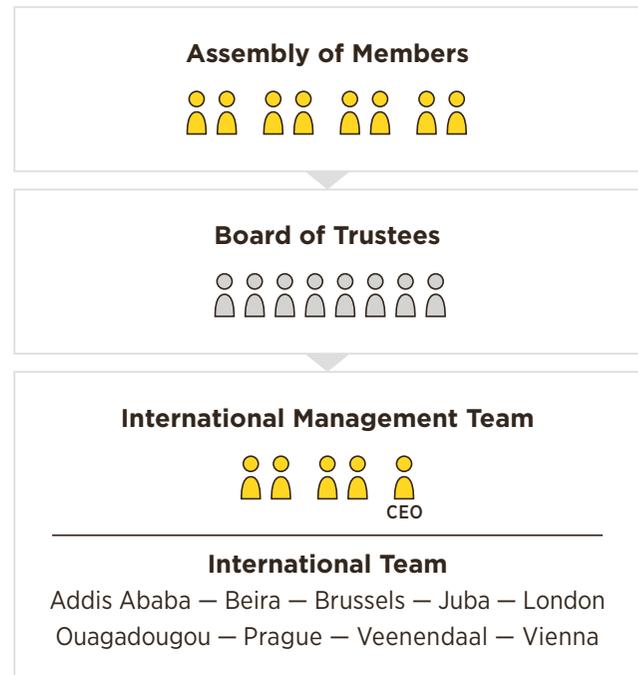
### Country Offices

Ethiopia – Burkina Faso – Mozambique – South Sudan

The Assembly of Members meets once a year and decides on vision, mission and appoints the Board of Trustees.

The Board of Trustees decides on strategy, appoints the CEO and approves the annual budget and annual work plan.

The International Team implements the strategy, collaborates with local, national and international partners and works to bring about change towards an inclusive society.



# Introduction



Ever since its inception, Light for the World has sought to use every single Euro efficiently and to the greatest possible effect. In order to strive towards maximum transparency, integrity, and to prevent corruption, we have introduced an internal control system. All members of Light for the World and the Country Offices have their accounts audited by independent external auditors and our international members have been granted quality seals in their respective countries.

In addition to these measures an 'Anti-Corruption Policy' was developed and ratified by the Board and entered into force from January 2014 onwards. With this Policy Light for the World reaffirms, that no kind of corruption, whatsoever, will be concealed, accepted, negated or understated under any circumstances. This Policy provides guidance for being a transparent organization as well as setting the appropriate course of action when dealing with the different faces of corruption.

Light for the World's Anti-Corruption Policy has now been in place for three years. In this report we take stock of the progress we have made in tackling the issue. We summarize the cases of corruption which were closed within these three years as well as lessons learned from them. In the future Light for the World will publish an Anti-Corruption report every two years.

A handwritten signature in blue ink that reads "Rupert Roniger". The signature is written in a cursive, flowing style.

Rupert Roniger  
CEO Light for the World

# The Anti-Corruption Policy – a summary

Throughout Light for the World's existence, corruption has been taken extremely seriously. Cases of corruption have been investigated and subsequent action has always been taken to deal with the specific problem identified. The current 'Anti-Corruption Policy' is based on Light for the World's former experience on anti-corruption as well as on good practices from Transparency International and other relevant organisations.

## **DEFINITION OF CORRUPTION ADOPTED IN THE POLICY**

Corruption is defined as “the abuse of entrusted power for private gain” (Transparency International). It is best known as bribery, fraud and theft, conflict of interest, embezzlement and extortion/blackmail, gifts, nepotism and favoritism. It is important to realize that corruption has many faces and does not exclusively take the form of money. To provide a person with a job, services or other favors can, in some instances, also be a form of corruption. It threatens effective programmatic work in the South and the North, good-governance, sustainable development, democratic processes and honest businesses.

The Policy provides guidance on being a transparent organisation as well as setting the appropriate course of action when dealing with the different faces of corruption. It covers both: corruption within the own structures and relations as well as within project partners supported.  
[www.light-for-the-world.org/light-world-anti-corruption-policy](http://www.light-for-the-world.org/light-world-anti-corruption-policy)

The Policy includes the following key elements:

### **1. Principles and measures to prevent corruption**

- Code of Conduct
- Sensitisation, awareness-raising, training of our staff in our own and partner organizations
- Anti-corruption clauses in our partner contracts

### **2. Procedures in case of corruption**

- Complaints mechanism
- The whistle-blowing hotline
- Procedures in cases of suspected corruption

### **3. Internal documentation and external information**

Key approaches are: to raise awareness and train all staff, freelancers and volunteers of Light for the World on the issue; to create an open environment in which to raise complaints and to support internal learning and further enhancement of internal control systems. Equally, Light for the World is committed to being transparent on suspected corruption. Every two years an external report will be published providing an overview of complaints, cases of corruption and the way they were dealt with. The Policy also contributes to cross-organizational learning and aims to overcome the reluctance that people often have in exposing corruption.

The Policy is built on three core values:

**1. Integrity**

ensuring high standards of ethics and honesty

**2. Responsibility**

resulting in high level of performance, professionalism and accountability

**3. Transparency**

acting with openness, equity and objectivity

It is the personal responsibility of every staff member, all board members and members of Light for the World and all those doing business on behalf of Light for the World to observe, protect and respect these core values.

# Implementing measures taken since 2014

## Principles and measures to prevent corruption

### CODE OF CONDUCT

All staff, freelancers, and board members have signed the Anti-Corruption Policy and herewith acknowledge the Code of Conduct.

### ANTI-CORRUPTION TRAINING

In 2014 a series of training sessions was initiated in Vienna with an external expert, followed by staff training in the offices in Belgium and the Czech Republic, a sensitisation workshop in Burkina Faso and a workshop with an external expert in the office in Mozambique. In 2016 new training series started with a half-day workshop at the international finance week in the office in Vienna, with further training sessions planned. Additionally, Anti-Corruption became an intrinsic part of the induction training, which all new staff have to complete.

### IMPLEMENTING ANTI-CORRUPTION IN PROGRAMME WORK

Light for the World has put in place a number of measures to prevent corruption in programme work:

- Light for the World has clear structures for financial transactions. These structures include among others: transactions made only according to an agreed financial annual plan, 4-eyes-principle, segregation of duties, internal controls, external audits, internal audits, etc.
- Light for the World has different levels of partnerships, depending on the level of engagement: Strategic Partnerships, Project Partners and Support Partners
- Light for the World has an Anti-Corruption clause in all Partnership Agreements
- Light for the World has compulsory assessment tools; including questions on transparency
- Funding decisions are made in a decision committee
- Financial and narrative reports are obligatory twice a year
- In general external audits are undertaken for projects with budgets over Euro 25,000. Exceptions are possible due to donor requirements or internal assessments.

## Procedures in case of corruption

### COMPLAINT MECHANISM - WHISTLEBLOWER HOTLINE

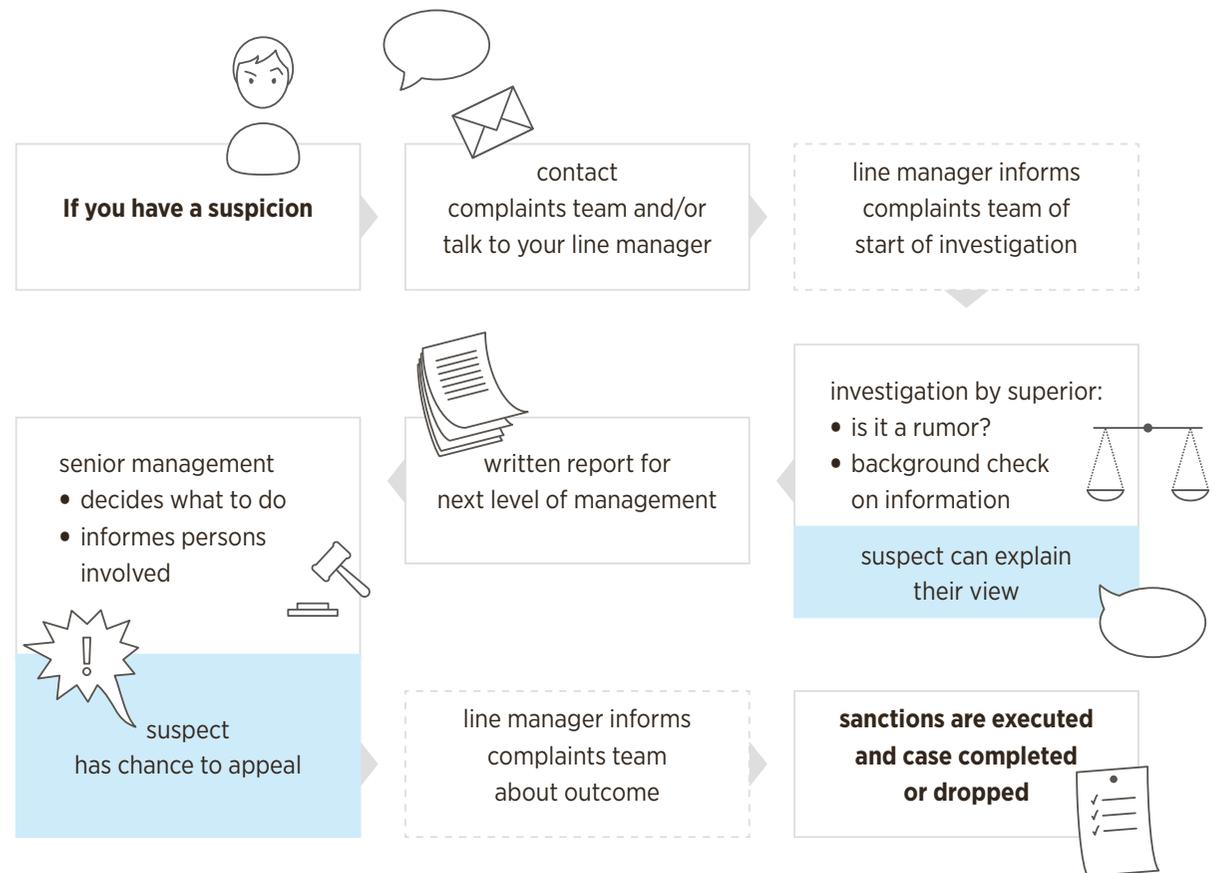
Light for the World employees and the board members are obliged to report any suspected cases of corruption, both within the internal structure and on partner level. All information is handled confidentially and with the greatest respect by the person investigating. All personal data is protected.

The cases are to be reported via the complaints mechanism, having the following options:

**1. The whistleblower hotline: Information can be sent by post to the complaints team or by e-mail: [complaints@light-for-the-world.org](mailto:complaints@light-for-the-world.org)**

**2. Employees can go to their direct line manager.**

The complaints team ensures that the following standard procedure is being implemented in the event of suspected corruption:



# Cases of Corruption 2014–2016

In total fifteen cases of corruption have been reported and investigated in the years 2014 to 2016. These can be divided in the following categories:

- 1. Cases where corruption occurred, and measures were taken (6 cases)**
- 2. Reported cases, where no distinct evidence could be found (6 cases)**
- 3. Reported cases which are currently under investigation (3 cases)**

In this Anti-Corruption report we cover the six cases where corruption occurred and report about the measures taken and lessons learned.

In six other cases, our investigations showed that three were false accusations and in three cases the evidence was not strong enough to confirm wrongdoing. We present lessons learned by Light for the World from these three cases at the end of this document.

## Cases where corruption occurred and measures were taken,

The following section provides details of the six individual cases which were investigated and closed 2014–2016, and includes the lessons learned from each case.

To protect privacy, the cases are presented to the external audiences in such a way that no direct link to persons or organisations can be made. All detailed information on each case is secured within Light for the World, accessible to the compliance team and the auditors only.

During the period under review Light for the World was responsible for an average of 180 projects in 22 countries managing programme expenses of 18.9 million Euro out of an average income over the three year of 24.9 million Euro.

The six individual cases listed below represent a value of about 28,500 Euros. Five out of six cases related to the actions of our local partners. One out of six cases related to the actions of local Light for the World staff.

**CASE 01****Unapproved loans  
taken from project funds by local partner**

**Country:** Mozambique

**Short description of the project:** Eye care project including equipment, outreach and training.

**Contents of complaint:** Local partner organisation took unapproved loans from project funds amounting up to Euro 800.

**The investigation:** Light for the World Austria and the Country Office Mozambique investigated the case and requested repayment of the missing funds.

**Follow-up:** Partnership was officially cancelled. The staff of the project partner involved in the corruption were taken to court by the employer and convicted and expelled as public officers. Even though the case was taken to court reimbursement of the funds was not possible.

**Lessons learned:** Important to compare bank balance and accounting balance at the end of each period and react to differences immediately. It is important to be willing to take drastic action (e.g. to end partnerships) in case of non-compliance with our policy by partners.

**CASE 02****Missing cash  
after a security evacuation**

**Country:** South Sudan

**Short description of the project:** Country Office of Light for the World in South Sudan.

**Contents of complaint:** After the massive military unrest in December 2013 the Light for the World office in South Sudan had to be evacuated within hours. All employees had to leave the office and the country for security reasons. After returning, it appeared that \$ 7,584 in the cash-register was missing. There were no signs of burglary.

**The investigation:** Light for the World Netherlands investigated the case. Unfortunately South Sudan is a country where internet banking was not possible in 2013; therefore sometimes it was necessary to have money in cash in the office cash register. Interviews were held with the two administrative persons and the country representative. A recount was made on the basis of these interviews, the bank statements of December 2013 and an overview of payments which was sent by the administrative officer. There was a strong suspicion regarding who took the money but it could not be proved.

**Decision/follow-up:** Two staff members left Light for the World in December 2013 voluntarily and on their own account. It was impossible to retrieve the funds.

**Lessons learned:** A large amount of cash should only be kept in the office in very exceptional circumstances. A manual of financial policies and procedures was written by two consultants and implemented in 2014. For example there are now always two signatories present in the office and as many payments as possible are done by check or bank transfer.

**CASE 03****Local partner using money for private purposes****Country:** Mozambique**Short description of the project:** The main objective of this DPO-led project was to spread sign language skills among persons with hearing impairment, their families, health care providers and the police in order to address a systemic barrier to the inclusion and protection of the rights of deaf persons in society.**Contents of complaint:** The coordinator of a partner organization did not pay allowances to three staff for 4 months, who worked for the project (about Euro 5,000).**The investigation:** The case was investigated by Light for the World's Country Office Mozambique. They had a meeting with the whole team of the suspected project partner. The investigation of the three staff who had not received their salaries showed the following results: one of the three staff had not received his allowances because 'he had to pay back a former loan'. In the case of the other two staff who had not been paid, a member of the senior management team claimed he did not pay them because he had used the money for a private matter; he also said he had falsified the signatures. However, we had strong suspicions that this person had 'covered' for the whole management team.**Decision/follow-up:** Our lawyer advised the criminal evidence for taking them to court was not strong enough. Light for the World's decision was to end the project contract with the partner. After the intervention the three staff members were paid. Nevertheless after ending the partnership no proper receipts were delivered by the partner for the open bank balance of 5.000 Euro**Lessons learned:** More sensitization workshops for partners are necessary; clear guidance on what is corruption and what is not (e.g. payback of loans by not paying the staff without a former agreement is corruption, etc.).**CASE 04****Misappropriation of donations in kind by partner school****Country:** Uganda**Short description of the project:** A private person from Germany donated hearing aids for children in schools in Uganda.**Contents of complaint:** A whistleblower sent a text message to Light for the World that some of the hearing aids sponsored via Light for the World were being sold by the teacher/audiologist for private gain (assumed damage Euro 4,900).**The investigation:** The case at this particular school was investigated by Light for the World's program coordinator and an external consultant. The audiologist who was suspected of wrong-doing was not at all cooperative and would not talk to the investigators. It was not possible to verify the case without doubt.**Decision/follow-up:** The Memorandum of Understanding with this particular school was cancelled, no further donations in kind were sent to this school and machines given to the partner were reclaimed. The work in all other schools continued with good results.**Lessons learned:** Light for the World strengthened its strategic documentation relating to donations in kind. Confirmation of receipt of donation in kind is in place. As a consequence in this case a stronger monitoring system for donation in kind was implemented. During project-visits spot-checks on stock of donation in kind are carried out.

**CASE 05****Irregular financial report from local partner****Country:** Mozambique**Short description of the project:** The project partner provides sporting activities for persons with disabilities. All activities and results as described in the project proposal were delivered in time and to the expected quality.**Contents of complaint:** While checking the financial report irregularities appeared in the supporting documents and receipts (unjustified expenditures of about Euro 11,000)

- Poor quality of many original receipts, often lacking dates or signatures
- Visible falsification of signatures of athletes, the directors, service providers, trainers etc.
- Payment of unbudgeted and unauthorized per diems to persons, although their transport and hotel costs had been paid.
- Unbudgeted payments of per diems or transport money to athletes during events, but with no signed receipts confirming payment had been received.
- Unreasonable and unjustified expenses, e.g. a high amount for “snacks” in bakery with a not authentic receipt.
- Using their own checkbook leading to the suspicion that many of the receipts for hotels and restaurants were falsified.

**The investigation:** There was evidence that the partner organization had embezzled money. The Country Office of Light for the World Mozambique together with Light for the World International investigated the case, giving the partner the opportunity to provide explanations or obtain missing signatures. There was absolutely no willingness on the part of the organization to clarify any of the issues listed above, thus aggravating the suspicions.**Decision/follow-up:** The project contract was terminated and no further collaboration with the partner will happen. Based on

the past and current experiences with the corruption cases in the courts of Mozambique, the decision was taken not to take costly court action, but to end the partnership.

**Lessons learned:** Immediately after this case, the Country Office started with closer monitoring and awareness raising in the importance of sound financial standards (e.g. four-eyes-principle) with all project partners. Ledger lists are now required per project agreement as part of expenses reporting, spot checks and audits are done by the Country Office bi-annually. These checks are done in addition to the ‘official’ audits done by external firms. These strict measures communicate clearly that Light for the World does not accept any form of corruption.**CASE 06****Non-payment top-up salaries for additional work to staff by local partner****Country:** South Sudan**Short description of the project:** The project aimed to contribute to the elimination of avoidable blindness by the year 2020 through the provision of technical and financial support for the delivery of national and state level eye care services. Further the provision of primary eye care services in one of the States should be strengthened.**Contents of complaint:** Funds in question were transferred from the Country Office of Light for the World to the personal account of the coordinator of the eye clinic, who clearly did not pay all the agreed top-up salaries for additional work to staff. The total amount transferred was Euro 6,800 of which around Euro 2,500 were missing. The transfer to a personal account was done because none of the other workers possessed a bank account to send the top-ups to. In South Sudan the majority of

people do not have bank accounts and the banking system is not present in all places.

**The investigation:** The Light for the World Country Office in South Sudan as well as the official Health Authority investigated the case.

**Decision/follow-up:** The matter was investigated by the Director General of the Ministry of Health of the respective State. Light for the World was assured in writing by the Country Office that the case had been investigated and resolved. Accordingly the top-up salaries to the staff and the provision of technical and financial assistance was paid. Hence the missing amount was repaid. Moreover, a Memorandum of Understanding was signed between the Ministry of Health and the hospital. To avoid the transfer to a personal account the payments were done in cash, every so many months when the eye care officer of Light for the World visited the project in person.

**Lessons learned:** Transferring project funds to a personal account should only be done in very exceptional circumstances.

## Lessons learned from three reported cases, where no distinct evidence could be found:

Light for the World carries out systematic and close monitoring of projects that it supports; nevertheless in some regions and for some projects this might not be tight enough. For one of the projects under suspicion, where we could not prove the accusation without doubt we implemented even closer monitoring.

A second project under investigation turned out to be a problem of bookkeeping capacities of the partner. In this case we gave the partner bookkeeping training to improve their skills.

In a third case, which we could not definitely confirm, the problem was that an official member from the government wanted unusually high amounts for workshops and daily allowances for more people than had participated. Light for the World looked for a dialogue with the person in order to build more confidence between them, with the partner also required to deliver signed participation lists.

# Resume and next steps

The momentum has been created, which clearly shows that our work on anti-corruption can improve substantially by being proactive: it supports effective programme work and we want to be seen and perceived as an open, transparent organization.

There is still room for improvement especially when it comes to training both the staff and the partners in the South and it remains a challenge to incorporate anti-corruption measures into all areas of work.

## **THESE ARE OUR NEXT STEPS:**

- Incorporation of the topic in more depth in our induction training for new staff and new board members
- Continuous training of current staff
- Focus with training and trust building measures in countries with the most cases of corruption (Mozambique, South Sudan)
- Continued awareness raising on the importance of sound financial standards (e.g. four-eyes-principle)
- Plan on how to sensitize our partners more strategically
- Continuation with spot-checks with partners in addition to official audits
- Revision of the policy after three years in practice on the basis of lessons learned
- Networking and exchange with other organizations and partners regarding anti-corruption best practices.

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