

**Budapest-Józsefváros Lutheran-Evangelical Congregation**

**Anti-fraud and anti-bribery policy**

## PART I

### **1. Scope of the Rules**

1.1 These Rules shall apply to the members, officers and employees of the Budapest-Józsefváros Evangelical Congregation (hereinafter referred to as the "Congregation").

1.2 The provisions of this Policy shall be read and applied in conjunction with the Code of Ethics of the Congregation.

1.3 This Code does not apply to donations collected, received or distributed in the course of the Congregation's fundraising and distribution activities.

### **2. Definitions of corruption, fraud and bribery**

2.1 Definitions of corruption, fraud and bribery are set out in Annex 1.

2.2 Some examples of fraud and bribery relevant to the Congregation are set out in Annex 2.

### **3. Zero tolerance of fraud and bribery**

3.1 The Budapest-Józsefváros Evangelical Congregation applies a zero tolerance approach to fraud and bribery, as

- recognises the significant risk that fraud and bribery pose to the achievement of its objectives: any funds or other resources lost through fraud or bribery are money that cannot be used to achieve its objectives,
- corrupt behaviour also seriously damages your reputation and image,
- is accountable to the community for which he is acting
- corruption creates unstable societies, destroys public and business norms.

3.2 By signing the Zero Tolerance Declaration on the day of their entry into the company, employees declare that they have read and accept these rules and regulations and that they are bound by them.

3.3 The Congregation will promote the application of the Zero Tolerance Policy by ensuring that:

- setting guidelines and rules to clearly establish appropriate and expected behaviour
- establishes rules and guidelines for determining and enforcing appropriate and appropriate behaviour
- preventive measures to reduce the risk of fraud or bribery
- takes measures to identify and detect fraud or bribery in specific cases, including reporting it to the police
- where fraud or bribery is suspected, accused or proven, ensure that the right to a fair trial is given to both the person accused and the employee or other person reporting the suspicion or allegation
- proactively take action to embed the unacceptability of fraud and bribery in the organisational culture, including training and awareness-raising of staff

3.4 In the event of suspected fraud or bribery, the Congregation will file a police report and suspend the suspected individual from employment pending investigation and, if the perpetrator can be identified and the fact of the offence is proven to be a breach of an employment or contractual

obligation (whether or not the criminal proceedings in relation to the offence have been concluded), terminate the employment of the individual with immediate effect. Termination of employment shall be without prejudice to any claim for compensation or damages by the Congregation.

#### **4. Anti-retaliation policy**

4.1 The Congregation will use all lawful and safe tactics to avoid and resist bribery of employees, regardless of the delay, inconvenience and potential increased costs to its operations.

4.2 It is prohibited for any person involved in the use of funds on behalf of the Congregation or its funds to make money or other property or benefits available to any other person for the purpose of bribery.

4.3 However, staff members are not expected to resist bribery to the extent that they place themselves or others in a position of imminent danger of personal injury or harm. Payment in such circumstances will be regarded by the Congregation as extortion, not bribery, and the necessary steps will be taken to prosecute the offender.

#### **5. Accepting gifts or invitations**

5.1 Gifts given by or to a staff member shall not be used to influence decision-making.

5.2 When gifts are offered or accepted by employees in situations where they are inappropriate, they may be perceived as bribery or may in fact constitute bribery. Such conduct not only has consequences for the staff member concerned, but may also jeopardise the reputation and moral standing of the Church.

5.3 The practice of positive, healthy, normal functioning does not preclude the acceptance or offer of gifts by an employee, as it helps to develop and maintain positive and strong business relationships. The acceptance or offer of a gift should only take place when it is

- it is proportionate to the situation and the relationship between the parties concerned;
- does not or should not create any expectation or obligation on the part of the recipient or giver.

5.4. Notwithstanding the provisions of clause 5.3, the following shall not be accepted or offered

- cash of any amount
- a gift with a value exceeding HUF 10 000
- gifts or loans of any kind from existing suppliers or prospective suppliers while the selection procedure is ongoing
- any gift, invitation or loan to personnel involved in the supplier selection decisions
- participation in any program involving gambling, sexual exploitation or exploitation of others.

5.5 Solicitation of gifts, invitations or favors is prohibited.

5.6 If there is any doubt on the part of the staff member or the Church leadership as to whether a gift or invitation is acceptable or may be offered, the staff member shall not accept or offer the gift without the written permission of the Church Pastor.

5.7 It is appropriate to offer or accept a gift or other benefit if

- it effectively strengthens or may strengthen the relationship with the Congregation,

- is not an attempt to unduly influence, and does not create an undue obligation,
- is made in a public place and not in secret,
- is used to celebrate a recognised community or private event, such as Christmas or a birthday,
- concerns the organisation or a group of employees, rather than a specific individual,
- is limited to merchandising.
- Its value is not excessive or unusual,
- the time or place of its delivery is not suspicious.

5.8 It is not appropriate to give or accept a gift or other benefit if

- its timing, nature or circumstances are such that it is an attempt to influence decision making,
- the value of the gift is excessive in the circumstances (even though it is less than the value set out in 5.4),
- the recipient feels obliged to accept the gift,
- the gift is given in secret.

5.9 If a staff member is offered an inappropriate gift, he or she should politely decline it and inform the Church Pastor.

5.10. In the event that the refusal of an inappropriate gift at the time it is given may be culturally inappropriate or embarrassing, it must be returned no later than one week with appropriate documentation (e.g., a receipt) to show that the gift has been returned.

5.11 In the event that an inappropriate gift is received in public, in addition to returning the gift, the pastor of the congregation or, with the consent of the person concerned, will take the necessary steps to restore the reputation of the congregation.

5.12 In the event that a member becomes aware that another person is accepting or giving an inappropriate gift, he or she shall immediately report the matter to the pastor of the congregation, who shall take action to return the gift.

5.13 Inappropriate funds received by a staff member and subsequently reported shall not be placed in the funds of the organization and shall be returned in all cases.

5.14. In the case of matching gifts to the Congregation as a whole or to a particular team, efforts shall be made to ensure that all staff members, where possible, receive the gift. If this cannot be arranged, the gift item should be drawn in a random and transparent manner.

## 6. Reporting and investigating fraud, bribery and other misconduct

Reports of acts covered by this policy shall be investigated in accordance with the Congregation's procedures for receiving and investigating reports.

## 7. Introduction, training and awareness

7.1 The Pastor of the Congregation shall ensure that all staff members are familiar with this policy upon entry.

7.2 The pastor of the congregation shall ensure that this policy and its annexes and the procedures for receiving and investigating complaints are made available to staff at all times,

- staff (including all persons employed in any employment relationship) sign the Zero Tolerance Statement,

- employees acknowledge in the contract or when signing the Zero Tolerance Declaration that theft, fraud or bribery committed or attempted by an employee, or concealment of or collusion with the perpetrator, under the zero tolerance principle, is a breach of contract which will result in immediate termination of employment.

7.3 The Congregation shall organise regular training and education, commensurate with its financial means, to identify fraud and bribery situations, to develop the sense of security, awareness and resilience of staff, and to increase loyalty.

## **8. Information to contractors**

Subcontractor and supplier agreements entered into by the Congregation should explicitly provide for the Congregation's commitment to fraud and bribery. To this end, contracts shall include the following provisions:

- The Congregation declares that it will not solicit or accept any monetary or other services, other economic benefits or favours in the selection of a contractor or in the performance of the contract. In the event that the contracting partner becomes aware of any conduct by a member of the Congregation's staff to the contrary, the contracting partner may report this to the Congregation's pastor.

- The contractor agrees to notify the church pastor immediately if it becomes aware of suspected fraud or bribery.

- The contracting partner shall be liable for compensation for any damage caused to the congregation by covering up the fraud or bribery or by failing to notify the congregation.

## **Annex 1 - Definitions**

Attempted Fraud or Bribery: An unsuccessful or failed effort to commit fraud or bribery.

Bribery: The giving or promise of undue advantage (money, property, other favours) to or for the benefit of a person acting for or on behalf of the organisation or in respect of another person in breach of an obligation

Corruption: the abuse of entrusted power for private gain.

Embezzlement: The unlawful taking of something (money) entrusted to another person or the misappropriation of it as one's own.

Invitation: Invitations to social events such as dinners, functions, and entertainment such as shows or games that are offered for free or at a discount.

Extortion: the coercion, by force or threat, of another person to do, refrain from doing or tolerate something for the purpose of obtaining an unlawful benefit, and thereby causing pecuniary loss

Fraud: Any person who, for the purpose of obtaining an unjust enrichment, deceives or misleads another person and causes damage thereby commits fraud.

Gift: goods, services or cash offered free of charge or at a reduced price. Non-refundable loans are considered gifts for the purposes of this policy.

## **Annex 2 - Examples of fraud and bribery**

- An employee demands or accepts repayment from a subcontractor for work performed.
- A staff member claims reimbursement on the basis of a false voucher.
- A staff member fails to disclose a conflict of interest with a partner, vendor, subcontractor, or other staff member, causing harm to the Congregation.
- The employee bribes the accountant or auditor to ignore or fail to report audit findings
- The staff member performing financial/accounting duties intentionally records an untrue transaction in the accounting records.
- .- Forging the signature of an employee or manager of the Congregation or falsifying a purported document from the Congregation to justify a transaction.

### Annex 3 - Zero Tolerance Declaration Form

#### Zero Tolerance Declaration

To be completed when a new member of staff joins the company and confirmed by signing and dating the document in the first week of January each year.

I, the undersigned \_\_\_\_\_, acknowledge that the Budapest-Józsefváros Evangelical Congregation has a zero tolerance policy against fraud and bribery, and that I have read and accept as binding upon me the provisions of the relevant Anti-Fraud and Bribery Policy.

I acknowledge that fraud includes a wide range of dishonest conduct, including theft, false statements, falsification of information and the use of property not my own for my own purposes.

I acknowledge that bribery includes a wide range of dishonest conduct, including accepting or giving kickbacks.

I acknowledge that at the Budapest-Józsefváros Evangelical Congregation

- fraud and bribery are not acceptable.

- all activities conducted by the Congregation must be carried out with integrity and honesty.

- financial and human resources must be protected and maximised for the benefit of the beneficiaries of the activity.

- the commission of fraud or bribery shall constitute a serious breach of an obligation arising from employment (other contractual relationship) and shall result in immediate termination of employment (other contractual relationship).

I acknowledge that it is in the best interest of the Congregation to report information or suspicions of fraud or bribery, sexual misconduct, harassment or illegal acts in the workplace.

I acknowledge that I may report anonymously, but that it is in the best interest of the Congregation that I provide my name in order to conduct an investigation.

Date: 2022

Signature:

I confirm this declaration:

Dated: 2023

Signature:

Dated: 2024

Signature: