

INTERS  S



ORGANIZATION
MANAGEMENT
AND CONTROL
MODEL

(Revised January 2015)

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Note:

The current version of the Model, revised and integrated, has been approved by the Board of Directors on July 9th 2012.

Further modifications approved by the Board of Directors:

1. June 20th 2014, with effect from July 20th 2014.
2. _____.

ATTACHMENTS:

N° 1 – FUNCTIONS AND ORGANIZATION CHART

N° 2 – TERMS OF REFERENCE OF THE APEX SUBJECTS

N° 3 – CHARTER OF VALUES

N° 4 – CODE OF ETHICS

N° 5 – PROJECT AND MISSION MANAGEMENT MANUAL

N° 6 – PROCUREMENT MANUAL

N° 7 – SECURITY MANUAL FOR HUMANITARIAN OPERATORS ABROAD

N° 8 – INFORMATION TECHNOLOGY AND LOGISTICS MANUAL (work in progress)

N° 9 – HUMAN RESOURCES MANUAL

N° 10 – GUIDELINES AND PROCEDURES FOR STRENGTHENING THE TRANSPARENCY AND PREVENTING THE RISK OF FRAUD AND CORRUPTION

N° 11 – GUIDELINES ON VISIBILITY AND COMMUNICATION

N° 12 – GUIDELINES ON DATA PROTECTION (CONFIDENTIALITY) work in progress

N° 13 – INTERNAL AUDIT AND ACCOUNTABILITY FUNCTION REGULATION

N° 14 – THE PATH TOWARDS ACCOUNTABILITY – PRINCIPLES, VALUES AND COMMITMENTS – LINK 2007

N° 15 – INTERSOS INTRANET USER GUIDE

N° 16 – FUNDRAISING GUIDELINES ISSUED BY THE AGENCY FOR NON-PROFIT ORGANIZATIONS

1. ACTIVITY

INTERSOS is a humanitarian non-profit organization supporting populations at risk and victims of natural calamities and armed conflicts. Founded in 1992, it grounds its action in values expressing solidarity, justice, dignity of the human being, equal rights and opportunities for all people, respect for diversity and for co-existence, and attention to the weaker and undefended members of society.

INTERSOS has Legal Personality by order of the Prefecture of Rome n. 753/2010 of December 20th, 2010.

It is also recognized by the Italian Ministry of Foreign Affairs with Decree 1997/128/002770/01 of July 24th, 1997 and subsequent extension with Decree 2004/337/005038/04 of December 28th, 2004. The new law on International Development Cooperation No. 125 of August 11th 2014, has abolished such eligibilities by establishing, in the case of development and humanitarian NGO, the registration at the register of Non-profit Organizations at the Italian Revenue Agency -according to Article 32, paragraph 7, - and the registration at the Development Cooperation Agency of the Ministry of Foreign Affairs.

INTERSOS identifies itself in the values upheld by LINK 2007, the network of Italian NGO, and European NGO. It also adheres to the Code of Conduct for The International Red Cross and Red Crescent Movement and NGO in Disaster Relief and to the values and principles expressed therein.

INTERSOS is a member of international humanitarian NGO networks VOICE and ICVA.

Moreover, it operates in implementation of the Partnership Agreement of February 24th, 2011 with the European Commission Directorate General for Humanitarian Aid and Civil Protection (ECHO), is recognized by the major United Nations agencies, and holds consultative status in the United Nations Economic and Social Council (ECOSOC) since 2002.

The INTERSOS activity aims to:

- provide immediate response to humanitarian crises, through relief to populations who are victims of armed conflicts, drought, famine, mines and explosive devices and other calamities;
- in parallel to the emergency intervention, also initiate actions to promote a return to normality in living conditions, a return to dialogue, a consolidation of peace processes, and reconstruction and development;
- mobilize, stimulate and motivate Italian society to expand and disseminate a culture for solidarity and international justice.

In fact, "INTERSOS was created to give answers of solidarity to the populations in life threatening situations and suffering under hunger and misery, resulting from extreme poverty, natural disasters or from the destructive effects of human actions, particularly in countries of the South of the world" (art. 2 of the Statute).

INTERSOS operates since many years in several countries located in Africa, Central America, Eastern Europe, Asia and Middle East, and primarily intervenes in the following sectors:

- emergency aid to civilians, privileging the most vulnerable groups: providing essential goods, food, water, health care, protection;
- assistance to refugees and internally displaced persons (IDP): organizes and runs refugee camps and shelters;
- supporting the return of IDP and repatriation of refugees: assistance for the reconstruction of dwellings and community services,
- supporting the growth of local capacity and training;
- reconstructing social infrastructure and restoring public services: hospitals, ambulatory care clinics, schools, water wells and pipelines, shelters;
- humanitarian demining and mine awareness: clearance of terrains infested by mines, cluster bombs and other explosive devices; education on risks posed by mines and explosive devices;
- promoting the return to dialogue, social harmony and reconciliation.

INTERSOS' is constantly concerned with remaining fully independent and autonomous in its strategic and operative decisions. It is therefore attentive to the diversification of the financial resources necessary to reach its humanitarian goals. Amongst the international donors, it chooses the ones who respect its

neutrality and autonomy. A part of the resources deployed comes from individual donations, associations, organizations, solidarity groups, foundations and enterprises. The majority of funds are nevertheless public: United Nations, Italian Government, Regions and Italian Municipalities and other Governments.

2. POWERS, OPERATIONAL AND CONTROL STRUCTURE

2.1 The Statutory Structure

The statutory bodies which guide, decide and control INTERSOS decisions, activities and finances are: the Members' Assembly, the Board and the Audit Firm.

The **Assembly** comprises regularly enrolled members. The Assembly has the following competences: a) to determine general guidelines for the Association's operations and activities in pursuit of its aims; b) to approve the annual financial statement and report; c) to deliberate and decide on statutory changes; d) to appoint the members of the Board; e) to deliberate and decide on exclusion of members.

The **Board** comprises a number of Members of the Board defined by the Assembly prior to their election, upon proposal by the President. Members of the Board are elected by the Assembly from among ordinary and founder members. The President, Vice-president and Secretary General are Members of the Board ex officio.

The **Board** adopts those measures deemed essential and proper to achieve the Association's aims with guidelines set by the Assembly.

In particular:

- appoints the President, the Vice-president and the Director General;
- deliberates on the admission of new members (ordinary);
- proposes to the Assembly the exclusion of members;
- examines economic and financial reports during the year;
- expresses an opinion on financial statements before their presentation to the Assembly for approval;
- deliberates and decides on all matters concerning the activity of the Association.

The quorum for any meeting of the Board shall be the presence of a majority of the members. Decisions are taken by a majority vote of the members present and voting. The Board shall be presided by the President, and in his/her absence by the Secretary General. In the event of an even vote, the President's vote or the one of his/her substitute is decisive. The term of office for the members of the Board is four years renewable.

The **President** is appointed by the Board for a term of office of four years and may be eligible for reappointment.

The President:

- is responsible for the Organization's activities toward the achievement of its statutory aims and for such competences not assigned to other bodies by the present Statute;
- with the Secretary General, develops relations with institutions and agencies, national and international organizations;
- convenes and presides the Assembly;
- convenes and presides the Board.

The **Secretary General** is appointed by the Assembly for a term of office of four years and may be eligible for reappointment.

The Secretary General:

- is the legal representative of the Association;
- directs the Organization and coordinates its activities and offices;

- has signing authority for all acts involving ordinary and extraordinary administration;
- submits the annual financial statements to the Board and to the Assembly;
- together with the President, manages relations with institutions, agencies and international organizations;
- executes the Board's deliberations;
- ensures that the Organization receives the required performance from its staff, collaborators and volunteers and manages their activities.

The Secretary General may propose a Director General to the Board (Article 12 of the Statute).

2.2 The Operational Structure

INTERSOS is structured according to a Functions & Organization Chart (cf. **Attachment 1**) approved by the Secretary General on an annual basis. It comprises the abovementioned statutory bodies and additional roles and functions.

The Secretary General forwards the amended function-organizational chart to the Surveillance Function in order to verify if the new articulation of activities, tasks, functions and responsibilities also require the amendment of the Model and the processes outlined in the attachments and manuals.

The INTERSOS operational structure sustains the following principles:

- clear and precise definition of job tasks, competent levels of responsibility and hierarchies;
- explicit attribution of representation and signature powers;
- written powers of expenditure conferred by the Secretary General and in any case to be contained within limits specified in the Terms of Reference (cf. **Attachment 2**).

The assignments and responsibilities relative to each function and the competent powers of representation are specified in the Terms of Reference (cf. **Attachment 2**), approved by the Secretary General.

In summary, the INTERSOS operational structure includes the following roles and offices:

The **Secretary General** guides and monitors the operational structure and remains its last decision-maker. He establishes the policy guidelines and the intervention measures through the directions of the governing bodies, he ensures direction and coordination of all the Organization's units/offices, he maintains, along with the President, relations with donors and national and international institutions, he coordinates internal audit activities and he supervises security and Human Resources. The Human Resources department is headed by an appointed authority in order to receive due consideration.

The **Director General** performs the functions entrusted to him by the Secretary General and can replace him in case of extended absence. He reports to the Secretary General. Within the limits of his delegated functions, he coordinates, sustains and verifies the efficiency and efficacy of the activities performed by the directors and the unit supervisors, in the full autonomy of the functional responsibilities.

The **Fundraising and Communication Office** promotes the institutional communication and identifies the techniques, organizational modalities and costs/benefits for the fundraising by promoting the initiatives defined and approved by the Secretary General. It quarterly reports in writing to the Secretary General and to the Director General, depending on the mandates it has been entrusted with.

The **Migration Office** evaluates, elaborates and proposes to the Secretary General humanitarian interventions to be undertaken in Italy. The Migration Coordinator manages and coordinates the activities and guarantees the correct execution and positive results. He quarterly reports in writing to the Secretary General and to the Director General, depending on the mandates he has been entrusted with. He communicates the economic and financial development of Italia projects to the Finance Director.

The **Program Unit Coordinator** guarantees the coherence of programs and projects with the strategies and priorities of the Organization, as well as their correct functioning, efficacy and coherence with the adopted management rules and, more generally, the observance of the provisions contained in the Model.

In accordance with the independence of the Regional Directors in managing reference countries, the Program Unit Coordinator has the task of monitoring the general functioning of the Regions and the Missions by giving them indications for the complete fulfillment of the objectives outlined and by supporting them in managing their programs so that they can efficiently and effectively achieve their humanitarian objectives. He reports to the Secretary General and to the Director General depending on the mandates he has been entrusted with.

He constantly communicates the development of the activities of missions abroad to the Finance Director.

The **Regional Director** represents the Organization within the borders of the his geographical area of competence with regard to the different representatives and according to the powers which he has been entrusted with by the Secretary General and by the directions given to him by the Program Unit Coordinator to which he quarterly reports in writing and whenever else deemed necessary. He constantly communicates with the Regional Finance Officer and ensures that all of the tasks which have been entrusted to him are correctly followed.

The **Head of Mission** is granted the powers by the Secretary General at the time of his entrustment and officially and legally represents INTERSOS in the country of assignment. The Head of Mission supervises and coordinates the activities in said country, he monitors its progress and decides how it must be organized and planned. In particular, he is responsible for the safety of all national and expat staff, as well as for the planning, management, implementation and success of the program of all individual projects carried out the country. He reports in writing to the Regional Director, on a monthly basis, about his work, the progress of the activities, the performance, the needs of the operators and the application of the Model provisions.

The **Project Manager** is responsible for the accurate realization of all assigned project activities and their economic and financial management by ensuring that accurate monthly financial data is entered into software data processing systems provided for the financial management and monitoring of projects. He reports in writing to the Head of Mission on a quarterly basis on activity progress and submits to him the interim and final reports to be submitted to the donor.

The **Finance Director** is responsible for the proper management of the administrative and financial activities of the Organization which includes the economic and financial management and planning, the management control system, the fulfillment of tax and social security provisions, the assessment of the accuracy and proper filing of the administrative and financial documentation, and the delivery of annual budgets and periodic and annual financial statements of the Organization. He quarterly reports in writing to the Secretary General and to the Director General, within the limits of his competence, about the progress achieved. He is constantly informed by the Program Unit Coordinator about the progress of the activities carried out in foreign missions. He also analyses, with the support of the Program Unit Coordinator, the periodic progress reports before their submission to the Secretary General.

The **Regional Finance Officer** ensures the supervision of the administration and accounting of the area which has been assigned to him and assumes full responsibility for it. He is the main reference point for the administrative operators of his area. He must ensure the proper and effective management of financial resources in accordance with the procedures of the Organization and the indications of the Finance Director. He quarterly reports in writing to the Finance Director about the progress of the activities he carries out. While carrying out his duties, he interacts with the Regional Director.

The **Country Finance Officer** is responsible for the proper and effective administrative and accounting management of the country and of it's related projects, according to INTERSOS procedures and to the Regional Finance Officer's directions, and ensures the monthly update of the IT (Information Technology) tools available for the economic and financial management of the projects. He quarterly reports in writing to the Regional Director about the progress of his activities. While carrying out his duties, he interacts with the Head of Mission.

3. CORE PRINCIPLES AND MODEL STRUCTURE

INTERSOS, as a non-profit organization (hereafter also “**Organization**”) falls within the category of legal entities which may be held “liable” for the wrongful conducts or misconducts of its top-level exponents (so-called subjects “in top position” or simply “apex” subjects) and of the persons managed or controlled by them.

INTERSOS thereby has adopted an Organization Management and Control Model (hereafter also “**Model**”) to prevent the onset of any illicit conduct and any consequent administrative liability for the Organization.

The Model defines the commitment undertaken by INTERSOS, its bodies and associates to do whatever is in its power to ensure that all activities conform to the law, and to internal regulations and conducts as outlined in the following paragraphs, identifying itself in the principles of probity and transparency encompassed in the Charter of Values (cf. **Attachment 3**) and in the Code of Ethics (cf. **Attachment 4**) adopted by INTERSOS, and contained in laws and provisions in force (in particular Decree Law n° 231/2001).

The Model aims to guarantee that all INTERSOS activities:

- are carried out in observance of the law and of the Model, protocols and procedures adopted by INTERSOS;
- pursue clearly defined aims and conform to INTERSOS statutory goals and are not aimed at procuring illicit advantage to the Organization;
- are documented, motivated and consequently auditable.

For this purpose:

- activities at risk, sensitive circumstances, persons responsible and subjects involved have been identified;
- procedures and rules of conduct have been defined aimed at preventing and managing risks;
- specific rules of conduct have been introduced;
- training on the Model has been regulated;
- protocols for administrative management of projects and missions have been revised;
- Internal Audit and Accountability has been set up;
- a system of sanctions has been introduced in response to non-compliance to measures indicated in the Model.

In any case, the Model has been written based on the set of documents (regulatory framework) that already oversee the operation of INTERSOS such as:

- Statute,
- Charter of Values – **Attachment 3**,
- Code of Ethics – **Attachment 4**,
- Functions & Organization Chart – **Attachment 1**,
- Terms of reference of the apex subjects (ToRs) – **Attachment 2**
- Management Protocols, Policies, Guidelines, etc. and more strictly operational rules that can regulate organizational processes, individual operations and their controls (Manuals, Operating Guides, Internal Notifications and Provisions, Circulars, etc.).

This regulatory framework is an integral part of the Model.

Any revision to the Model shall enter into force within 30 days following the approval of the Board, unless otherwise provided. The attachments are approved by the Secretary General.

The Secretary General may issue directives, which may be general or specific.

The Finance Director and the Program Unit Coordinator may only issue specific directives with an indication of their duration. General directions must be countersigned by the Secretary General.

The directives shall be sent to the Internal Audit and Accountability function which verifies their compatibility with the principles of the Model. The directives which last more than one year shall be included in the

Model.

The Model and its attachments are published on INTERSOS database Alfresco, (Attachment No. 15 - Manual for the use of Intranet ALFRESCO) and on the Organization's website.

The Model, including its Attachments, shall be made known to the Donors according to their requirements.

4. ACTIVITIES AT RISK, SENSITIVE CIRCUMSTANCES IN THE PROCESS, SUBJECTS INVOLVED

Subjects involved are those who, according to Decree Law n° 231/2001, hold representative, administrative, management, or auditing functions.

ACTIVITIES AT RISK	SENSITIVE CIRCUMSTANCES IN THE PROCESS AND REFERENCE MANUALS	SUBJECTS INVOLVED (Subjects in bold are responsible for)
A1) Participation in procedures for the award and/or allocation of public funds and subsidies by the Italian Ministry of Foreign Affairs (MoFA), other Ministries or European institutions, foreign governments, or International Organizations, for activities to be carried out in Italy	Drafting and submission of projects, managing relations with the Public Administration (P.A.), while participating in bids, calls and requests for proposals (RfP) for public funding in Italy and abroad (Attachment 5 - Project and Mission Management Manual)	Secretary General ¹ Finance Director Migration Coordinator Regional Finance Officer
A2) Participation in procedures for award and/or allocation of disbursements, contributions, public funds or subsidies by MoFA or other Ministries, European institutions, foreign governments, International Organizations (UN agencies, etc.) for activities to be carried out abroad	Drafting and submission of projects, managing relations with the Public Administration (P.A.), while participating in bids, calls and requests for proposals (RfP) for public funding in Italy and abroad (Attachment 5 - Project and Mission Management Manual)	Secretary General Finance Officer Program Unit Coordinator Regional Director Regional Finance Officer Head of Mission Country Finance Officer
A3) Negotiation, signing and execution of contracts/agreements with public entities or similar qualified entities, after participation in bids, calls and RfP for allocation of contributions and subsidies for programs to be carried out in Italy	Managing relations with public officials or public service functionaries or providing data and information to public funding agencies/bodies (Attachment 5 - Project and Mission Management Manual)	Secretary General Finance Director Migration Coordinator Regional Finance Officer
A4) Negotiation, signing and execution of contracts/agreements with public entities or similar qualified entities, after participation in bids, calls and RfP promoted by Italian, European and international public Agencies for programs to be carried out abroad	Managing relations with public officials or public service functionaries or providing data and information to public funding agencies/bodies (Attachment 5 - Project and Mission Management Manual)	Program Unit Coordinator Finance Director Regional Director Regional Finance Officer Head of Mission Country Finance Officer
A5) Managing relations with the public administration for fulfillment of obligations, controls, inspections	Submission of supporting documents, financial reports, and project financial statements	Secretary General Finance Director Migration Coordinator

¹ The term Secretary General indicated from here on may refer also to the **Director General** in all of the job functions entrusted to him/her.

connected to Organization's projects and activities in Italy	(Attachment 5- Project and Mission management Manual)	Regional Finance Officer Project Manager
A6) Managing relations with the public administration for fulfillment of obligations, controls, inspections connected to Organization's projects and activities abroad	Submission of supporting documents, financial reports, and project financial statements to donors abroad (Attachment 5- Project and Mission management Manual)	Program Unit Coordinator Finance Director Regional Director Regional Finance Officer Head of Mission Country Finance Officer Project Manager
A7) Managing relations with public entities for all matters relating to workplace safety and health (Decree law n° 81/2008 and Law n° 626/1996). In particular, for obligations linked to regulations on workplace safety and relations with competent supervisory authorities, also in the event of inspections.	Performing controls and assessing the fulfilment of all obligations to ensure a safety workplace (Attachment 7 – Security Manual for Humanitarian Operators abroad)	Secretary General
A8) Management of in-court or out-of-court litigation, including those relating to the execution of contracts/agreements stipulated with public entities or similar qualified entities in Italy	Managing relations with judicial authorities or with officials/public inspectors during litigation	Secretary General Finance Director
A9) Management of in-court or out-of-court litigation, also for execution of contracts/agreements stipulated with public entities or similar qualified entities of European community or foreign governments, or International Organizations (UN agencies, etc.) abroad	Managing relations with judicial authorities, European Commission inspectors and foreign officials during litigation	Secretary General Finance Director Program Unit Coordinator Regional Director Regional Finance Officer Head of Mission Country Finance Officer
B1) cash and liquidity management at the Headquarters	Opening and closing of bank accounts, payments and currency transfers (Attachment 5- Project and Mission Management Manual)	Secretary General Finance Director
B2) Local office cash and liquidity management abroad	Opening and closing of bank accounts, payments and currency transfers (Attachment 5- Project and Mission Management Manual)	Regional Finance Officer Head of Mission Country Finance Officer Project Manager
C1) Project implementation Italy	Management of the liquidity, cash flow and financial resources to avoid improper use (Attachment 5- Project and Mission Management Manual)	Finance Director Migration Coordinator Regional Finance Officer Project Manager
C2) Project implementation abroad	Management of the liquidity, cash flow and financial resources to avoid improper use (Attachment 5- Project and Mission Management Manual)	Program Unit Coordinator Finance Director Regional Director Head of Mission Country Finance Officer Project Manager
C3) Collaboration and support to partners in the implementation of	Identification and selection of suitable partners for collaborations	Regional Director Finance Director

projects carried out abroad	or partnerships especially for foreign missions (Attachment 5- Project and Mission Management Manual)	Regional Finance Officer Country Finance Officer Head of Mission Project Manager
C4) Cooperation and support to partners in the implementation of projects carried out in Italy	Identification and selection of partners in collaboration or association with INTERSOS regarding activities / projects to be carried out in Italy (Attachment 5- Project and Mission Management Manual)	Secretary General Migration Coordinator Project Manager
D1) Project implementation, with special regard to activities carried out by expat staff	Staff recruitment, preliminary checks and training to avoid the committing of crimes against the person (Attachment 9 – Human Resources Manual)	Secretary General Director of Human Resources
D2) Project implementation, with special regard to activities carried out by national staff	Staff recruitment, preliminary checks and training to avoid the committing of crimes against the person (Attachment 9 – Human Resources Manual)	Head of Mission Director of Human Resources
D3) Negotiation and signature of conventions and agreements with (also foreign) partners for local hires for the various projects	Partner choice, checks for conformity to principles of conduct relative to staff management (Attachment 9 – Human Resources Manual)	Secretary General Director of Human Resources Head of Mission
E1) Management of Headquarters staff	Signature of contracts, training (Attachment 9 – Human Resources Manual)	Secretary General Director of Human Resources
E2) Measures to safeguard the health and safety of Headquarters staff members	Conformity to provisions relating to safety at work, workplace checks and controls	Secretary General
E3) Measures to safeguard the health and safety of overseas operators	Conformity to provisions relating to safety at work, workplace checks and controls (Attachment 7 – Security Manual for Humanitarian Operators abroad)	Secretary General Director of Human Resources Program Unit Coordinator Regional Director Head of Mission
F1) Negotiation, signature and execution of supply contracts for assets in projects pursued in foreign countries (to avoid assets of an illicit origin)	Management phases of bidding, checks and controls on supplier and origin of assets (Attachment 6 – Procurement Manual)	Head of Mission Country Finance Officer Project Manager
F2) Negotiation, signature and execution of supply contracts for assets in Italy (to avoid assets of an illicit origin)	Management phases of bidding, checks and controls on supplier and origin of assets (Attachment 6 – Procurement Manual)	Secretary General Finance Director Migration Coordinator Project Manager
F3) Negotiation, signature and execution of contracts for project implementation in collaboration with foreign partners, with employment of the latter's resources	Phases for the selection of foreign partner (Attachment 5- Project and Mission Management Manual)	Unit Program Coordinator Regional Director Head of Mission Project Manager
F4) Fundraising from non-institutional private donors with special regard to conclusion of	Registration, drafting of accounting documents confirming payments or any value flows	Secretary General Finance Director Fundraising and

contracts with private subjects aimed at acquiring resources to operate successive funding of activities performed by INTERSOS in Italy	(Attachment 5- Project and Mission Management Manual)	Communication Coordinator
F5) Fundraising from non-institutional private donors with special regard to the conclusion of contracts with private subjects abroad aimed at acquiring resources to operate successive funding of activities assisted by INTERSOS	Registration, drafting of accounting documents confirming payments or any value flows (Attachment 5- Project and Mission Management Manual)	Program Unit Coordinator Regional Director Finance Director Regional Finance Officer Country Finance Officer Head of Mission
F6) Management of the Organization's economical-financial flows, also with reference to obtainment of funds in Italy and transfer of funds to missions	Processing and use of accounting data to deliver financial reports, balance-sheets and financial statements (Attachment 5- Project and Mission Management Manual)	Secretary General Finance Director
F7) Management of the Organization's economical-financial flows, also with reference to obtainment of funds locally and transfer of funds to Italy	Processing and use of accounting data to deliver financial reports, balance-sheets and financial statements (Attachment 5- Project and Mission Management Manual)	Regional Director Finance Director Regional Finance Officer Country Finance Officer Head of Mission
F8) Organization Financial Statements Management on site and in Italy	Preparation, review and publication of financial statements (Attachment 5- Project and Mission Management Manual)	Secretary General Finance Director Audit Firm

5. RESPONSIBILITY

The responsibilities of those involved in the various processes described in paragraph 4, which have been broadly elaborated in the attached Manuals, have been identified through the Function & Organization Chart in **Attachment 1**.

Where, due to organizational difficulties, the competencies attributed by the Functional Organization Chart are not assigned to one or more professionals, the management of the processes related to them shall enter within the sphere of responsibility of the senior figure immediately above, as identified in the Functional Organization Chart.

In this case, any tasks relating to the authorization/control/verification of activities carried out by the deputy are, consequently, supervised by the senior figure to which they normally refer.

6. PROCEDURES AND RULES OF CONDUCT

6.1 The INTERSOS Charter of Values and Code of Ethics

The Charter of Values adopted by INTERSOS establishes the principles whereby Organization's activities are inspired and outlines the rules of conduct that have been introduced by the Model. Moreover, INTERSOS has adopted a Code of Ethics (hereafter also Code) to define precise rules of conduct for the Organization and all subjects involved in its operations.

All INTERSOS employees and collaborators in any capacity, in Italy and overseas, members of statutory bodies, partners, consultants and any person working to achieve the Organization's objectives, are

therefore obliged to observe the Charter of Values (cf. **Attachment 3**) and the Code of Ethics (cf. **Attachment 4**).

All employees and collaborators, both in Italy and abroad, and the members of the statutory bodies are, also bound by restrictions and implementation procedures defined in the Model (Manuals).

6.2 General rules of conduct

The Secretary General, employees, collaborators in any capacity, and third parties appointed by the Organization for various project activities are in any case obliged to conform to the rules of conduct defined by INTERSOS in the course of their functions, duties and work.

It is prohibited:

- to act in contrast with the law;
- to act in contrast with internal procedures, including the Terms of Reference (cf. **Attachment 2**); and the Protocols adopted to implement the present Model (cf. **Attachment 5**).

It is compulsory in the course of one's duties or functions:

- to exercise a conduct according to criteria of lawfulness, probity and transparency;
- to abstain from a conduct, even by omission, which may prevent the Surveillance function from exercising its control functions or obstruct conformity with the Model.

6.3 Specific rules and procedures

In relation to the activities subject to risk identified at paragraph 4, INTERSOS adopts specific procedures and rules of conduct to guide the decision-making and implementation process, focused on preventing and avoiding any illicit or damaging circumstances to the Organization.

Procedures conform to the principles encompassed in the Model, to general principles listed in the following paragraph, and to specific principles also stated hereunder concerning specific areas of activity.

For activities in particular contexts (missions and offices managed in remote control and missions in nationalization phase), INTERSOS provides the adoption of specific mission procedures and always in compliance with the principles set out below.

Prior to their entry into force, specific procedures must be verified by the Surveillance function and approved by the Secretary General, and the period of validity is limited to one year, and may be amended or extended as a result of an annual review.

6.3.1 Core principles of procedures

All activities implemented by INTERSOS must comply with the following general principles:

LEGALITY

- Complying with the law, the protocols and the procedures adopted by INTERSOS;
- Clear objectives which are consistent with the statutory scopes and not designed to make the Organization achieve an illicit advantage;
- Activities which are documented, justified and therefore accountable;

EFFICACY

- Clear definition of objectives and activities;
- Consistency and competency of the activities in relation to the results to be achieved;

EFFICIENCY

- Rational organization of work and careful use of human and financial resources;

TRANSPARENCY

- Possibility to trace the formation of acts and levels of approval in order to ensure the traceability

of decisions taken;

- Functions related to decision-making process, accounting and control management must be assigned to different subjects (segregation of duties);
- Filing and custody of documentation on Organization activities so that it may not be altered successively unless adequately highlighted, and may not be accessed by anyone other than the subjects entrusted with their filing and conservation, and to the oversight authorities (the Board, Internal Audit and Accountability function, External Audit Firm).

Rigor and transparency are both commitments that the organization has internally taken by signing several framework agreements and documents with international agencies and affiliated networks.

Consequently all the procedures must comply with the following rules:

- recruitment of employees, external collaborators and cooperators must be based exclusively on objective and verifiable requisites such as competence, reputation, experience and skills;
- selection of foreign partners for project realization must be based exclusively on objective and verifiable requisites confirming representation of the community, the competence and probity of their work and the eligibility of their structures with regard to planned operations;
- any payment made to a employee, collaborator and cooperator must be in line with performance quality and quantity, reasonable, and adhere to specifications for contracts in the specific sector;
- any payment and related decisional process must be documented;
- adoption and regular updating of an accounting procedures manual;
- adoption of suitable organizational measures to guarantee truthfulness, completeness, traceability and accuracy recording and accounting (financial statements and periodic reports) and the reconciliation between accounts and financial reports with the project's budget and the general budget;
- access to documents must always be justified and allowed only to: authorized persons in accordance with internal regulations, the Internal Auditor and Accountability and, in the cases foreseen by law or by contract, to the funding bodies auditing authorities as well as other authorities with powers to monitor and control (*Guardia di Finanza*, the Directorate General of the European Commission, European Court of Auditors, etc.).
- anyone asked for information by upper management positions, Internal Audit and Accountability, has the obligation to provide prompt information, documenting response by indicating documents or sources employed for information retrieval;
- whoever becomes aware of any violation, derogation or modification to the internal procedures has the obligation to promptly notify the Internal Audit and Accountability;
- derogation from the procedures may occur only in cases of particular or extreme emergency that makes it impossible to follow them, but they must always be verified by the Internal Audit and authorized by the Secretary-General.

6.3.2 Project management procedures (Attachment 5 - Project and Mission Management Manual)

Procedures to participate in bids, calls and requests for proposals for allocation of funds, contributions and subsidies encompass the following principles:

- the decision to participate in bids, calls and requests for proposals for the allocation of funds required to realize projects is taken by the Secretary General supported by the **Program Unit Coordinator**;
- INTERSOS participation in bids, calls and RfPs for the allocation of funds, in partnership with other Italian NGO or foreign partners, is subject to other partners' adherence and commitment to comply with INTERSOS Code of Ethics contents;
- the truthfulness of information provided to the Public Administration or in general to the various institutional donors must be checked;
- a specific check and balance system must be adopted to ensure that funds are effectively employed to realize the specific purpose for which they have been allocated.

6.3.3 Procurement procedures for goods, works and services (Attachment 6 – Procurement Manual)

Bidding/tendering procedures within single projects and procurement procedures for goods, works and services encompass the following principles:

- goods, works and services are procured exclusively from qualified suppliers;
- payment relative to the procurement of goods, works and services – except petty expenses such as stationery or beverages and foodstuffs for INTERSOS internal use – is made upon acceptance and conformity of goods/works/services received against those ordered;
- invitations for bids or tenders must be signed in ink to enable a check of their authenticity and effective INTERSOS origin;
- goods, works and services for use in various projects are procured, except for donors imposing other procedures by contract, by following the procurement procedures adopted by INTERSOS and defined in the Manual;
- the use of a “procurement center” is permitted only where expressly consented by the donor, according to its rules and bounds;
- procurement of goods, works and services occurs in a competitive context in observance of the principles of efficiency;
- it is prohibited to establish preferential relations with suppliers or service providers, unless motivated and expressly authorized in writing by the donor;
- bidding/tendering processes must not be vitiated by a conflict of interest. In particular, a participation in bids for the provision of goods, work and services is not permitted to those companies of which an associate, even through a third person, is a member of a statutory body other than the assembly or is an employee or collaborator of INTERSOS, or is a relative within the second-degree of the direct line, up to the fourth-degree of the collateral line and the third-degree by affinity to a member of a statutory body (exception made for the Assembly), employee or collaborator. The same restrictions apply to sole traders where the relationship must be assessed between the entrepreneur on one hand, and relations and in-laws on the other who hold statutory office or are INTERSOS employees or collaborators. INTERSOS employees and collaborators and anyone holding a statutory office must upon execution of the contract or appointment declare if he/she is involved in an enterprise or is a member of organizations which, by their specific nature, may become potential suppliers to INTERSOS.
- all materials pertaining to bidding/tendering processes for the procurement of goods, works and services are examined by the Project Manager or, in absence, the Head of Mission, to check on the basis of specific criteria that the party who appears to be so is in effect the sender. All materials are registered clearly without any cancellation and abrasion in strict chronological order and sent to the appropriate officer for archiving and custody;
- multiple bid/tender responses per supplier to the same bid/tender invitation may not be considered: in this event the first offer received – and therefore first registered - is the one considered;
- the procurement of goods, works and services not requiring a bidding/tendering process must be carried out in accordance with the principles of economy and efficiency (or the best price/quality ratio);
- all data and information provided by the suppliers needs to be subjected to all the internal audits contained in the Procurement Manual.

The regular course of in loco bidding/tendering processes is subject to a check by the Regional Finance Officer within the ambit of executed missions. The same bidding/tendering processes are subject to a check by the Internal Auditor on the occasion of his/her overseas missions.

Upon closure of the bidding/tendering process and award of the contract, the Head of Mission/Project Manager must check for correct contract execution, particularly to prevent a different price being applied with respect to the award price; the same check must be made successively by Country Finance Officer.

INTERSOS may not in any case receive from the contractor of one or more supplies of goods, services and works and in general from any supplier, any payment in cash or in kind equivalent to the value of the supply or of the supplier's earnings.

INTERSOS must publish on its Internet website any donation in cash or in kind, or any other utility

received from parties who have supplied goods, services or works or even potentially may become suppliers due to their particular line of activity.

6.3.4 Procedures for the recording, drafting and control of financial reports, balance sheets, reports and other Organization documents (Attachment 5- Project and Mission Management Manual)

Procedures regarding the recording, drafting and control of financial reports, balance sheets, reports and other Organization documents must conform to the following principles:

- application of Model principles and procedures and identification of individual operator level of responsibility;
- accurate and complete check by competent Financial Officer of all documentation pertaining to implemented projects;
- accurate and complete verification by the person responsible for the activity of the traceability of all costs to a specific budget line (project costs) or to a class or type of expenditure (cost structure) as long as previously planned and authorized.

6.3.5 Procedures for management of financial flows and Organization funds (Attachment 5- Project and Mission Management Manual)

Management of financial flows and INTERSOS funds is disciplined by procedures encompassing the following principles:

- authority to open and close bank accounts in Italy is held exclusively by the Secretary General;
- the Secretary General retains the exclusive power signature over bank accounts, except in the case of a proxy given to the Finance Director;
- authority to open and close overseas bank accounts in those countries where INTERSOS project realization is concentrated is held by the Head of Mission, by virtue of a written power of signature conferred by the Secretary General;
- payments and funds transfer from Italy to foreign countries are made by bank transfers;
- cash payments are restricted to specific and exceptional cases and defined ceilings, in conformity to currency exchange and anti-money laundering regulations and with the motivated and written approval of the Head of Mission, endorsed by the Country Finance Officer and recorded, documented and filed in the Organization's official documents;
- currency transfers overseas resulting from funds allocated by donors in Italy must be requested by e-mail by the Head of Mission to the Finance Director, prior assessment by the Regional Finance Officer of the adequacy of the financial planning previously agreed;
- currency transfers in Italy which are linked to funds allocated by donors overseas must be verified by the Regional Finance Officer;
- no form of compensation of receivables and payables between projects is allowed except in rare cases which shall be authorized in writing by the Finance Director and adequately recorded in accounting;
- every transaction made in local offices involving the use of cash is recorded, documented and tracked, and subject to the prior authorization of the Project Manager or the Head of Mission and to the control of the Country Finance Officer;
- every transaction involving the use of cash or tax stamps is recorded.

6.3.6 Procedures for obligations and commitments to pay for the management of housing, offices, vehicles and warehouses (Attachment 5- Project and Mission Management Manual)

Entering into commitments or undertaking obligations, particularly with regard to the administration of lease contracts for housing, offices, vehicles, etc. is disciplined by procedures encompassing the following principles:

- powers of representation and negotiation are conferred only to the Secretary General, as per Statute, except in the event of adequate and justified needs;
- powers of representation and negotiation restricted to activities in the missions are attributed to the Regional Director or – for management aspects of the mission or project operations – to the Head of Mission, within limits expressly set by power of attorney conferred by the Secretary

- General;
- powers of representation are conferred only by written power of attorney.

6.3.7 Procedures for management of Human Resources (Attachment 9 - Human Resources Manual)

Procedures for international and national personnel recruitment and appointment of collaborators or cooperators, including those present at the Headquarters, conform to the following principles:

- Headquarters staffing requests must be submitted by the Secretary General (or Director General if appointed) to the Director of Human Resources;
- candidates are selected on the basis of objective and predetermined criteria and are appraised by the Human Resources Department for the Headquarters and expat staff members and by the Head of Mission for national staff;
- The Director of Human Resources for Headquarters and expat staff, and the Head of Mission for national staff, shall collect all the necessary information to validate the personal and professional suitability of the candidate (CV, references, records, etc.);
- upon signing the employment agreement or contract the operator receives a complete copy of the Model and attachments and formally assumes the obligation to conform to their provisions;
- the operator endorses the Job Description/Terms of Reference, which describes the tasks and the chain of command to which he must report and the IRP (Internal Report Process) model for assessing the achievement of results against the objectives;
- donations and contributions to INTERSOS, coming from employees, collaborators and cooperators, must be registered in writing and recorded into the balance sheet specifying their origin.

6.3.8 Health and safety in the workplace

INTEROS is always concerned with guaranteeing adequate safety standards for its employees and collaborators in their place of work, with the additional aim of increasing the efficiency of services and improving the Organization's internal and external image.

The procedures relating to managing health and safety in the workplace conform to the following principles:

- respecting technical and structural legal standards relating to equipment, plants, places of work;
- improving the ability to adapt to changes in the law, regulations and standards of good practice;
- improving relationships with employees and their involvement in achieving the health and safety objectives;
- gradually reducing overall occupational health and safety costs, including those deriving from accidents, injuries and work-related illness, minimizing the risks to which employees or third parties could be exposed (suppliers, visitors, etc.).

The Headquarters, subject to the State law in force with particular reference to the Italian Legislative Decree no. 81/2008 Act for the health and safety protection in the workplace; in compliance with the Consolidated Act:

- must submit all operators to a medical examination each year
- must elect a person responsible for the safety
- must bring up to code all sites designated for office purposes.

A security manual has been drafted to help all operators manage risks in missions abroad (Attachment 7). The manual provides each operator and belonging group with the key elements to manage all risks in the humanitarian activity sector accordingly to the Organization and International Community's practices, especially in hazardous environmental conditions or during armed conflicts.

6.3.9 Important aspects for fundraising activities

In all fundraising activities INTEROS closely follows the instructions contained in the Fundraising Guidelines issued by the Agency for Non-profit Organizations (Attachment 16).

In order to prevent any risk linked to specific types of offences stated in Legislative Decree 231/2001,

INTERSOS pays particular attention to the principles of:

- **Transparency:** being accountable for one's own actions in a visible way, by activating all possible channels that allow the transmission of information.
- **Accountability:** to analytically detect all revenues and expenses, indicating both the income and expenditure account of the fundraising;
- **Accessibility:** put donors and beneficiaries of the donations in the position of collecting all information needed, in accordance with current regulations and within the boundaries of any information which could legitimately be made available.

The Fundraising and Communication Coordinator pays great attention to and assess the funding sources whether individuals or profit companies whose activities may be incompatible with the principles stated in the Code of Ethics or in this Model.

The Fundraising and Communication Coordinator will constantly report to the Secretary General about the findings on the assessment of the origin of the funds and the amount of funds raised.

Campaign reports must be submitted to the Secretary General for approval before being publicized on the Organization's website.

7. SPECIFIC RULES OF CONDUCT

INTERSOS displays in all its operating offices the Code of Ethics to which the conduct of all operators and individuals who collaborate with INTERSOS in some capacity is to be conformed.

INTERSOS makes available at its operating offices practical procedures and tools for reporting any violation to the above Code to the internal supervisory bodies.

Therefore, in order to prevent the risks associated with specific types of offences set out in Decree Law 231/2001, INTERSOS requests that all staff members perform their duties with professional commitment, moral rectitude and good governance in accordance with the following principles:

Legality: everyone is required within his or her own sphere of activity and competency to know and observe the disciplines coded (laws, acts treated as regulations as issued by National and International Institutions and in particular the rules relating to the discipline of accounting records and financial statements, provisions on personal data protection, health and safety in the workplace, and labor laws.

Fairness: everyone is expected to behave based on the common sense of substantial justice.

Equality and non-discrimination: everyone is entitled to equal treatment regardless of age, gender, race, disability, faith.

Protection and enhancement of the person: respect for the person and enhancement of individual skills.

Diligence: everyone must carry out all his or her duties with care and accuracy.

Honesty: everyone must be aware of the ethical significance of his or her own actions and be careful not to pursue personal gain at the expense of the Organization or to the detriment of the laws and standards set out in the Code of Ethics, or just do things that, according to common sense of consciousness, are incompatible with the righteousness of his/her behavior.

Transparency: every action must be fully traceable and easily identifiable at all stages, so that all the reports are understandable and the corresponding actions are justified.

Impartiality: everyone must carry out his or her activities with objectivity and fairness, uninfluenced by feelings of friendship or enmity, kinship or affinity of various kinds.

Confidentiality: everyone must refrain from disclosing any information pertaining to the Organization (whether technical or logistical, strategic or economical), and everyone must comply with the rules in force concerning the processing of personal data.

Absence of conflict of interest: any decision pertaining to the policies of the Organization (supply contracts, partnerships, recruitment, etc.) must be adopted in view of the opportunities of the Organization and thus must be based on sound assessments and never be dictated by interests or personal benefits whether direct and indirect.

Moreover, again in order to prevent the risk associated with specific types of offences set out in Decree Law 231/2001, INTERSOS requires staff members to ensure the compliance with the specific behaviors described below in relation to each type of offence to be avoided.

7.1 Corruption and bribery

INTERSOS prohibits employees, collaborators, cooperators, and partners to offering cash or favors in order to gain illicit advantages or enable the Organization to obtain preferential treatment when participating in bids, projects or procedures, including those for the allocation of public funds from European agencies, foreign States and International Organizations.

Payments which may not be verified or are not verifiable are prohibited in all activities carried out by INTERSOS involving governments, international agencies or the private sector. INTERSOS also requires a proper accounting of all business transactions, including payment of commissions, remunerations and gratuities, in parallel with the proper custody of all accounting supporting documents, including all payment receipts.

In the event that INTERSOS employs an adviser or a third party to represent its interests vis-à-vis the Public Administration or public service concession operator, the third party must agree in writing to the Code of Ethics as well as to all the prescriptions contained in this document.

On no account must INTERSOS, in its relations with the Public Administration or public service concession operator, accept representation by a third party with a conflict of interest.

INTERSOS provides a system of internal control to ensure that all business transactions are recorded in an proper, clear and factual manner.

It is not prohibited to repay expenses incurred in “good faith”, such as travel and lodging expenses sustained by employees, collaborators, cooperators and directly related to their duties and activities; as long as they are properly justified and accounted for in writing.

Attachment 10 - Guidelines and procedures for strengthening the transparency and preventing the risk of fraud and corruption

7.1.1 Rules of conduct

It is compulsory to:

- exercise a conduct in line with the principles of probity and transparency and with the principle of impartiality which must guide any administrative activity;
- do not give, offer, or approve, whether directly or not, anything of value (e.g. cash, assets or services) to an official of a national or international agency or to a member of Italian or foreign public administrations, including European authorities or International Organizations, with a view to procuring illicit advantages. Mementos as a gesture of courtesy, gifts of a modest value, may be offered only under circumstances which are completely devoid of any semblance of inappropriateness;
- do not make payments in cash or in kind to government officials or civil servants in order to accelerate an administrative act;
- select individuals representing INTERSOS toward public entities with accuracy and request their acceptance of the Code of Ethics and the Charter of Values as well as all prescriptions contained in this document;

- do not keep funds or do not register transactions, and do not represent fictitious costs to generate a fictitious financial availability.

7.2 Fraud and embezzlement

There are specific regulations in our legal system safeguarding the allocation of public funds, contributions and subsidies by the State or other public agencies and the European Union. The aim is to prevent their obtainment by fraudulent means - that is by the use or presentation of false documents or declarations, or by the omission of due information – or once having been obtained, from their being employed for non-designated purposes.

INTERSOS condemns any fraudulent behavior and prohibits the use of false documents certifying the existence of essential conditions for participation in a bid/call for proposal/request for funding; and in general condemns any conduct aimed at falsifying its reality, requisites and characteristics, whose existence in falsely represented terms is essential to obtaining benefits, supplies, subsidies, funding and acknowledgements.

7.3 Receiving stolen goods, money laundering, and use of money, goods or earnings derived from illicit origin

It is possible for persons involved in criminal activities, which include terrorism, to attempt to hide the proceeds of their crime offences or make them appear legitimate by “laundering” them through legal activities.

Therefore INTERSOS pays the utmost attention in order to avail itself only of partners who deal in legal activities and whose funds are derived from legitimate sources.

7.4 Terrorism and subversion of democratic order

By article 3 of law n° 7/2003, Italy ratified the International Convention for the Suppression of the Financing of Terrorism (New York, December 9th, 1999), thus committing itself to the fight against terrorism.

In particular, the Convention punishes voluntary offences aimed at directly or indirectly providing funds in support of subjects intending to produce acts of terrorism, for example aircraft and ship hijacking, acts of violence against diplomatic staff, hostage-taking, illicit production of nuclear devices, bombings.

In the full respect of democratic principles and in particular those of independence and neutrality INTERSOS is committed in constantly monitoring the work of its staff in order to avoid any type of conduct which may constitute terrorist activity or the subversion of the Democratic order of the State.

INTERSOS moreover expressly condemns any act of violence aimed at subverting the democratic order and supporting terrorism, and strongly commits itself to preventing in every possible way that funds managed and used by INTERSOS to realize its projects, and also assets or goods donated by it to associations and communities, may in any way be used to commit terrorist offences.

INTERSOS puts into practice controls and checks on the activities of foreign partners who collaborate in the realization of projects and on the destination of funds, also collecting information from local governments in countries of intervention, and avoiding any relations with subjects and associations even merely suspected of involvement in illicit activities.

All employees and all collaborators must conform to provisions contained in the Model and in its Attachments (Charter of Values, Code of Ethics, Protocols and Manuals).

We require everybody's utmost attention and strict assessment of partnerships, collaborations, collaborative partners and work relationships with operators or individuals which may have objectives which are incompatible with the statutory aim of the organization and with the abovementioned codes.

Any employee or collaborator who is informed of an alleged criminal activity or a conduct which may constitute a criminal activity of any sort, support or financing these activities or subverting the democratic order, must give immediate notice to his/her superior or to the Surveillance function.

7.4.1 Rules of conduct

- All employees, collaborators, members of statutory bodies, consultants, external collaborators and INTERSOS partners must not engage in any kind of illegal activity.
- Any INTERSOS employee/collaborator who has reasonable grounds for suspecting that a colleague is carrying out illegal activity should immediately notify the Secretary General and the Surveillance function, who will do their utmost to actively cooperate with public security authorities.
- All employees, collaborators, members of statutory bodies, consultants, external collaborators and INTERSOS partners, whether in Italy or in countries where projects take place, must not engage in artifices of any kind in order to provide benefits to third parties who will, directly or indirectly use them for illicit purposes.
- All employees, collaborators, members of statutory bodies, consultants, external collaborators and INTERSOS partners are requested to pay the utmost attention to prevent the commission of any criminal activity.
- It is mandatory to draft, in each mission and at the headquarters, the list of all reliable suppliers which must be selected in accordance to the Section 3 of the Procurement Manual.
- It is mandatory to carry out all the specific checks stated in the Procurement Manual for all parties - natural and legal persons – participating in tenders for the provision of goods, works and services.
- It is mandatory to acquire all the information on the pre-selected candidates, as set in the Human Resources Manual, before signing the contract.

7.5 Prostitution, pornography, possession of pornographic materials

INTEROS condemns any form of exploitation of the human being, especially if aimed at child prostitution or related pornography. It prohibits in any case any sort of pornographic activity and any form of prostitution, even between consenting adults. It is strongly committed to ensuring that its employees, collaborators, cooperators, members of statutory bodies and partners do not commit such crimes.

7.6 Practices of female genital mutilation/cutting

INTEROS is strongly committed to preventing its employees, collaborators, cooperators and partners from committing the crime of female genital mutilation/cutting (clitoridectomy, excision, infibulation) or from permitting such practices to take place in the Organization's offices, premises and sanitary structures.

7.7 Non-discrimination, equal opportunity, harassment and abuse

INTEROS ensures equal opportunities. There is no discrimination in recruiting, hiring, compensation, training, job assignments, promotions or terminations, based on race, color, nationality, faith, opinion, affiliation, gender, age, ethnicity or citizenship, civil or marital status, sexual orientation and identity, trade union membership or current or past disability.

Employees and collaborators claiming for their rights, raising grievances, or responding to internal or external inquiries are safeguarded from harassment, intimidation, discrimination or abuse.

INTEROS does not tolerate harassment, abuse or discrimination of any sort and extends these rules of conduct to its partners.

7.7.1 Rules of conduct

- treat all persons with due respect and safeguard their dignity;
- report any act of discrimination or harassment to the supervisor or individual responsible for the

assignment; for this purpose INTERSOS periodically requires those in charge in the field, to submit specific declarations confirming that indeed, as known within their powers of control, no discriminatory practice, harassment or mistreatment/abuse has been reported;

- ensure that decisions involving people are free from prejudice and discriminatory intent and are purely factual;
- ensure that recruitment is carried out in a clear and transparent way and on the basis of objective comparative criteria.

7.8 Health and Safety

INTERSOS is committed to providing a safe workplace free of risks and hazards. The health and safety of employees and collaborators are held in the greatest consideration. However, in emergency countries where it is not always possible to implement suitable measures, in any case all possible action is undertaken and precise regulations and procedures are defined in relation to security.

7.8.1 Rules of conduct

- take due precautions in order to prevent risks, inconveniences or unfavorable working conditions;
- report incidents or unsafe working conditions;
- know all emergency procedures specific to one's own workplace;
- report any act or threat of violence toward INTERSOS employees or collaborators;
- conform to all national regulations and standards for health and safety;
- procure workplace equipment, machines and materials provided with an attached "statement of conformity" and "safety specifications" in conformity to standing regulations;
- do not introduce animals, hazardous substances and firearms into the workplace;
- conduct all operations in such a way as to safeguard health or reduce the risk of staff injuries and loss of assets;
- scrupulously apply standing safety/security regulations and procedures and relative obligations when intervening abroad in hazardous contexts.

7.9 Regulations for project administration and management

In the course of its internal administrative activities INTERSOS has committed itself to applying the highest standards of ethical conduct as well as conforming to standing regulations, also with regard to its core principles.

INTERSOS pursues its statutory aims in conformity to the law, the statute and internal regulations, ensuring the proper functioning of its statutory bodies and safeguarding member participation rights and the Organization's wealth.

INTERSOS is required to prepare truthful and transparent financial statements representing accurate and understandable financial information about INTERSOS financial condition. In doing so, INTERSOS must abide by the law and by the requirements of professional bodies.

Indeed, any business transaction must be properly registered and authorized. It must be also reliable, legitimate and compliant with the law.

To this end, all person responsible for their own area of competence must update the information technology (IT) tools available for economic and financial management at least on a monthly basis and keep them up-to-date in order to allow the consultation of activities at different organizational levels, necessary to ensure the management of activities performed as well as the Organization as a whole.

All Administrative employees and collaborators as well as local administrative personnel are obliged to know the controls pertaining to their work, notify their manager regarding any violation, also reporting it to the Surveillance function.

7.9.1 Rules of conduct

- ensure accurate custody of supporting documentation for all transactions recorded;
- re-examine accounting records and processes linked to his/her own function periodically;
- safeguard INTERSOS wealth;
- accurately record all business transactions to facilitate drafting of financial and economic statements and balance sheet, in line with generally accepted accounting principles or any other standing regulation;
- prepare accurate financial documents based on factual and verifiable data;
- maintain and update control processes and procedures for administrative and financial activities;
- ensure that all transactions are executed in conformity to specific approval by person directly responsible.

7.10 Privacy and data protection

INTERSOS is committed to safeguarding information on employees, collaborators, cooperators and any third parties with which it establishes contacts in the course of its activities, and also to avoiding any improper or unauthorized use of data.

INTERSOS intends to ensure that personal data processing within its structures is carried out with due respect for fundamental rights and freedoms and the dignity of interested parties, as laid down by standing laws and regulations.

Personal data processing must occur in a legitimate and appropriate manner and in any case only data for specified, explicit and legitimate purposes may be collected and stored. Data is stored for a period of time not exceeding that required to achieve the purposes for its collection. INTERSOS is also committed to adopting suitable and preventive security measures for all databases storing personal data with a view to preventing possible destruction and loss, unauthorized access or unauthorized data processing.

Employees and collaborators entrusted with data processing activities must conform to privacy and data protection regulations and also:

- collect and process only essential and appropriate data for purposes directly connected to their functions and responsibilities;
- collect and process data only within specific procedures and store and file data in such a way as to prevent any unauthorized access;
- represent and order data by such means that any authorized person may easily access them and derive precise, exhaustive and accurate information.

In Attachment 12 - Guidelines on Data Protection (Confidentiality)

7.11 Final provisions

All operators are requested to adhere to the values and principles stated in the INTERSOS Charter of Values and Code of Ethics.

All operators must be informed on the adoption of the Model and will be required to sign a statement acknowledging they have read, understood and agreed to abide by it, conforming to and observing the principles of integrity, honesty, probity and transparency pursued by INTERSOS in the implementation of its projects (cf. **Attachments 3 and 4**).

Members of the Board are also required to comply and ensure compliance with these principles while performing their functions.

Surveillance function has the mandate to assess the compliance with the Model.

8. EDUCATION AND REFRESHER TRAINING

8.1 Premises

The Organization is committed to ensuring a proper dissemination of the Model's contents and principles with a view to achieving maximum efficacy during its applications.

Dissemination and training activities are tailored to the recipients' needs ensuring in all cases that they are designed on the principles of thoroughness, clarity, accessibility and continuity so as to provide all recipients with a full awareness of the provisions they are expected to uphold and the ethical regulations which must guide their conduct.

Dissemination and training activities are supervised by the Internal Audit Function who is entrusted to collaborate with others in promoting initiatives aimed at spreading knowledge on the Model within the Organization and verify and promote participation in organized training courses.

8.2 Training

INTERSOS ensures the widest disclosure and awareness of the Model among all subjects required to conform to its provisions.

Following the adoption of the Model and in case of further substantial revisions of the present document and the operative procedures, a training course shall be organized to illustrate its contents to operators.

An up-to-date copy of the Model is made available to operators and in general to all subjects required to conform to the Model. A written receipt of delivery must be kept.

Operators are handed a copy of the Model and relative attachments before taking up office. Moreover, the Director of Human Resources will be responsible for illustrating the principles underlying it, the disciplinary system and the content of the protocols, while the operator's manager will be responsible for illustrating the Manuals and operational tools.

9. INTERNAL AUDIT AND ACCOUNTABILITY

9.1 Objectives

INTERSOS has introduced the Internal Audit and Accountability function in order to improve the quality, efficiency and transparency of the administration as well as the management of projects and missions, while still being in compliance with the Model's internal procedures and regulations.

In compliance with the law (in particular the Law 231/2001), Internal Audit and Accountability verifies the effectiveness of the Model and its ability to prevent failures, crimes and violations of the rules of conduct contained in it.

9.2 Characteristics

An Internal Auditor who is selected by the Board of Directors upon the proposal of the Secretary General runs Internal Audit and Accountability.

The Internal Auditor shall hold office until the expiration of the Board of Directors and may be renewed upon expiry of the term. Within the powers granted by the Board, the scope of its internal auditing and performing work shall be independent.

Internal Audit and Accountability is not hierarchically included in the operative structure of INTERSOS and is not subject to the authority of INTERSOS' executive bodies.

He communicates with:

- The Secretary General/ Director General for the Audit activity
- The Board of Directors for the Surveillance activity

9.3 Internal audit function

While defining the Internal Audit activity, there are two categories of services which are valuable within the Organization:

- Control: the Internal Auditor is required to carry out a statistical survey and/or independent confirmation of the company's data and, if necessary, an objective evaluation of it, in order to make reliable assessments regarding information, processes, systems or other;
- Consulting: which is seen as an assertive support activity rather than control, provided by the Internal auditor after being specifically requested, without it leading to operational decision-making.

At the request of the Secretary General he can fulfill ad-hoc mandates and assignments which must not in any way interfere with the autonomy of his function.

Where, in performing the Internal Audit function, he finds that there are some serious violations of the Model, he has the obligation to promptly report them to the Secretary General and communicate them, in the capacity of his Surveillance function, to the Board of Directors at their first valid meeting.

9.3.1 Control Activity

It conducts assessments in Italy and abroad on the dissemination and application of the following:

- Code of Ethics;
- Principles, rules, regulations, duties and responsibilities provided by the Model;
- Manuals and procedures covered by the Model.

It proposes changes and improvements to:

- Manuals and procedures;
- Control system;
- Management information systems.

It delivers to the Board of Directors a communication of engagement results:

- Upon the approval of the financial statements
- At the end of the fiscal year
- When deemed necessary and appropriate.

9.3.2 Consulting Activity

The Internal Audit, if required, can engage in supporting and advisory activities:

- He collaborates with the Finance Director during the audit of the financial statement carried out by external auditors.
- He collaborates with the competent functions, in order to prepare the controls requested by donors and assists them during said controls.
- He verifies any derogation to the Model which is necessarily made during the Missions, by acting through the Regional Directors and Regional Finance Officers, and from the Headquarters, by acting through the Finance Director, before submitting them to the approval and signature of the Secretary General.
- He works, upon the request of individual operators, to ensure the preparation and performance of the procurement procedures.

9.4 Surveillance Function

The Surveillance has the following functions:

- Verifying the implementation of the Model
- Assessing the effectiveness of the Model and its ability to prevent failures, crimes and violations of the rules of conduct contained in the Code of Ethics;
- Verifying that the proposed amendments to the Model are consistent with DL 231/2001, and its amendments, before submitting them to the approval of the Board of Directors.
- Evaluating the suitability of the Manuals to the Model before disclosing them.

9.4.1 Operating modalities

The operating modalities of the Internal Audit and Accountability are shown in Attachment 13.

In performing its duties the Auditor can:

- Freely access INTERSOS Headquarters in Rome as well as the offices located in countries where the organization operates;
- Freely access any documentation – hardcopy and non – filed in those offices, at any time and make copies;
- Request the support of employees and competent functions;
- Use internal and external consultants prior authorization of the Secretary General
- Request information and documents relating hazardous activities to all operators
- Ask for the immediate intervention of the Board if his functions are hindered.

9.4.2 Work program

By the 31st of December of each year, Internal Audit function submits its work program to the approval of the Secretary General.

By the 31st of January of each year, the Surveillance function submits its work program to the approval of the Board of Directors.

9.4.3 Obligation of confidentiality

The Auditor must ensure the confidentiality of the information acquired in the course of his duties and the anonymity of those who make reports, or in other words those who asks to the Surveillance function for assistance in the implementation of the Model.

9.4.4 Information flow to the Surveillance function

The Surveillance function, pursuant to Decree Law No. 231/20001, must be informed by the parties subject to the compliance of the Model, regarding any event that may arise liability of the Organization.

For this reason the information flow is necessary every six months, by the 28th of February and the 31st of August, or according to the deadlines provided in the annual work plan approved by the Board of Directors.

Those responsible for the Organization's functions must also report to the Surveillance function any risk exposure through the online audits performed or to be performed in accordance to the positions they have been assigned with or through periodic self-assessments.

Reporting criminal offences or reasonable suspicion of criminal offences shall be made in writing by Employees, Collaborators or Appointed Representatives and sent by email at odv@intersos.org or by air mail address to the Surveillance function c/o INTERSOS, Via Aniene 26/A - 00198 Rome, by marking the envelope "PRIVATE AND CONFIDENTIAL". In any case the Surveillance function is not obliged to consider any anonymous report which may appear to be irrelevant, ungrounded or improperly substantiated.

10. DISCIPLINARY SYSTEM

10.1 General principles

This Model includes, as an essential aspect of its effectiveness, an adequate disciplinary system applicable to violations of the procedures set forth therein, and the provisions and principles established in the Code of Ethics.

The type and extent of each of the sanctions established will be applied in accordance with the relevant legislation, taking into account the degree of carelessness, incompetence, negligence, fault or intentionality of the behavior on action/omission, also taking into account relapse, as well as the work done by the person and their functional position, together with all the other special circumstances which may have characterized the fact.

The adequacy of the system of sanctions, constant monitoring of the proceedings for the imposition of sanctions against employees, as well as the operations against external parties, are entrusted to the Surveillance function, who shall also report offences of which it becomes aware of during the performance of its functions.

10.2 Employees

Failure to comply with the procedures set out in the Model adopted by INTERSOS and the violation of the provisions and principles established in the Code of Ethics, foreseen also in the framework of the National Collective Labor Agreement in force, may result in disciplinary sanctions.

Therefore, without prejudice to the right that INTERSOS may claim compensation for damages suffered, these disciplinary applicable sanctions shall be those provided for within the current National Collective Labor Agreement.

The type and extent of sanctions (verbal warning, written warning, financial penalty, suspension from work without pay, dismissal with or without notice) will be determined in relation to:

- the type of violation;
- intention and circumstances, mitigating and aggravating factors, the overall behavior;
- the tasks performed by the employee;
- involvement in infringing activities performed by other employees in agreement with each other;
- any previous disciplinary sanctions imposed on the employee;
- the functional position of the people involved in the facts constituting the lack and the resulting intensity of the bond of trust that underlies the employment relationship.

10.3 Measures against members of the Board

In case of non-compliance with the Model or the Code of Ethics by one or more Members of the Board, the Surveillance function shall give notice immediately to the Board for the adoption of appropriate measures.

10.4 Measures against contract employees (Collaborators)

In case of non-compliance with the Model or the Code of Ethics by contract employees, the Surveillance function shall give notice immediately to the head of the Organization (Secretary General) for the adoption of appropriate measures, also taking into account the provisions of current legislation and the Framework for the regulation of employment relationships with NGO.

10.5 External parties with a contractual relationship with INTERSOS (suppliers and others)

Failure to comply with the procedures set out in the Model adopted by INTERSOS, as well as violations of the provisions and principles established in the Code of Ethics by the parties with contractual/commercial relationships with INTERSOS, may determine, in accordance with what is regulated in specific contractual relationship, the termination of the contract, without prejudice to the right to claim compensation for damages incurred as a result of such conduct, including damages caused by the application by the Court of the measures provided in the cited Decree.