



Compliance Policy

Templates

These templates comprise basic compliance policies and guidelines for a growing organization to help build a stable foundation.

They must be customised according to local context. If adopted, they should be understood and followed by all staff and volunteers.

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Edition 2

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Compliance Policies



Overview

1. Objectives of the Compliance Policy
2. Leadership and Management Responsibilities
3. Dealing with Partners and Third Parties
4. Conflicts of Interest
5. Confidentiality and Data Protection
6. Environment, Safety and Health
7. Violations of the Compliance Policy
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(1) Objectives of the Compliance Policy

PF **X** carries various responsibilities to its employees, members, partners, suppliers and the general public. The foundation of this responsible management is always adhering to established laws and ethical values. The adherence of these requirements is also referred to as compliance.

This policy is intended to prevent violations of statutory provisions for staff members at all organizational levels. It is a directive to all staff members and serves as a clear warning that violations will not be tolerated.

Corruption, competitive distortion and other violations of statutory provisions pose great risk for our organization and staff members. Compliance with laws and internal corporate policies always take precedence over economic success.

We respect the personal dignity, privacy and individual rights of all people, regardless of appointed position, gender, age, education, disability, beliefs, status, nationality, ethnicity, culture, religion or skin color. We do not tolerate any discrimination or any sexual or other personal harassment or offence. We are reliable partners and we only make promises that we can keep. These principles apply both to our internal collaboration and to our conduct towards external partners.

We refrain from sexual advances or individual harassment as well as verbal abuse and prohibited sexual activity with children under 18 years of age and avoid the exchange of money, employment, goods or service for sex. Also, sexual relationships between staff and beneficiaries are strongly forbidden.

(2) Leadership and Management Responsibilities

All leaders and managers are responsible for staff members under their supervision. Leaders and managers should set an outstanding example in terms of personal conduct, performance, openness and social skills. They should set clear, ambitious and realistic goals. They should lead with trust, allowing staff members as much autonomy and freedom as possible. They should be available to staff members to discuss both professional and personal concerns.

Each manager has organizational and supervisory duties to fulfil and is responsible for ensuring that no infringements of the law occur within their sphere of responsibility that might have been prevented or hindered by appropriate supervision. Even when individual tasks are delegated, the manager retains responsibility.

Managers work actively to promote knowledge and awareness of the Compliance Policy and ensure that it is implemented on an ongoing basis.

All managers must observe the following rules in particular:

- Managers must select staff members carefully, ensuring that they have the appropriate personal qualities and specialist expertise. This duty of care increases with the importance of the role the staff member fulfils.
- Managers must allocate tasks precisely, fully and definitively, especially regarding compliance with legal requirements.
- Managers must ensure that compliance with legal requirements is monitored on an ongoing basis.
- Managers must clearly communicate to their staff members the importance of integrity and compliance with legal requirements and this policy in day-to-day business. They must clearly inform staff members that breaking the law is unacceptable and will entail disciplinary proceedings

(3) Dealing with Partners and Third Parties

PF **X** considers it important that its staff members not encounter conflicts of interest in the conduct of their professional activities. Such conflicts can arise if a staff member works for or has shares in another organization.

Fair competition is a prerequisite for free market development and the associated social benefits. Each staff member is required to comply with the rules of fair competition.

Offering and providing benefits or donations: We attain contracts in a fair manner, through quality, pricing and innovation—not by offering unauthorized benefits. No staff member may, directly or indirectly, offer, promise or provide any payment or other unjustified benefit in connection with business activity or approve such benefits. The acceptance of money or its equivalent is prohibited in principle. No staff member may use their position to gain, accept, procure or approve benefits. However, this does not include the acceptance of occasional gifts of symbolic value or food or event invitations on an appropriate scale.

The following rules apply to receiving and making donations:

- The donation must be transparent. The recipient of the donation and the specific use by the recipient must be clearly identified. The reason for the donation and the purpose for which the donation will be used must be always accounted for.
- Donations should never be granted to persons or organizations that may be detrimental to the reputation of PF X.
- Requests for donations from private individuals should be refused in all cases.
- Payments into private accounts are not permitted.

Business relationships with suppliers: PF X aims for consistent supplier management. We expect our suppliers to share these values and comply with all laws.

Staff members responsible for awarding contracts must observe the following rules in particular:

- Staff members must declare any potential conflict between personal interests and the performance of their professional duties to their superior.
- Staff members should not discriminate unfairly for or against suppliers who are competing for contracts.
- Invitations from business partners may only be accepted when the occasion and scope of the invitation are appropriate and when declining the invitation would be considered impolite.
- No staff member may enter private contracts with companies with whom they have business dealings if they may gain a personal advantage as a result of doing so.
- Maintaining the integrity and confidentiality of the procurement process is of paramount importance. Staff members must be aware of what constitutes conflict of interest.

(4) Conflicts of interest

Avoiding conflicts of interest: Staff Members are required to make decisions, especially business decisions, in the best interests of PF X and not based on personal interests. Conflicts of interest arise when staff members pursue personal activities, or might influence personal action or judgment (e.g., abuse of power, favouritism, nepotism and individual popularity or interests) at the expense of the interests of PF X.

If there is a potential conflict of interest, a staff member must report this to their superior.

The conduct of staff members should not foster any suspicion of conflict between professional duty and personal interest.

Nobody will solicit or accept, directly or indirectly, any gift, favour, entertainment, loan or anything of monetary value from vendors or potential vendors.

Use of organizational property: The installations and equipment in offices and workshops (e.g., telephone, photocopier, PC including software and Internet/intranet, machines, tools) may only be used for PF X purposes and not for personal use. In no case may information be downloaded or transmitted that incites racial hatred, glorifies violence or other punishable acts, or whose content is sexually offensive in the relevant cultural context.

Staff members are required to avoid abusing working hours/time for his/her personal work or interest.

(5) Confidentiality and data protection

Records and reports: Accurate and truthful reporting is part of open and effective cooperation. The same equally applies to the relationship with employees and members, partners, the general public and all state organizations.

All records and reports that are produced internally or communicated externally must be accurate and truthful. In accordance with proper accounting principles, data records and other reports must always be complete, accurate, timely and system compatible. The requirement of truthful reporting also applies to expense accounts.

Confidentiality: Confidentiality must be maintained regarding our internal organizational matters that have not been made public. This includes details relating to our organization like its facilities, business, production, research and development activities, and internal accounting figures.

Data protection and security: Access to the intranet and the Internet, the global exchange of information and dialogue, and electronic transactions all play a key role in the effectiveness of success for the individual and business. However, the benefits of electronic communication also entail risks in terms of personal rights and data security. Effective protection against these risks is an important aspect of IT management, management responsibilities and the conduct of individual staff members.

Personal data, especially data handled by the HR team, may only be compiled, processed or used only as necessary for clearly defined and legitimate purposes. High standards must be maintained in terms of data quality and technical protection against unauthorized access. The use of personal data must be transparent for those affected, upholding their rights to information and amendment and to challenge, block or delete the information as necessary.

(6) Environment, safety and health

Environment and safety: Protecting the environment is a high priority for PF X. Environmentally friendly activities, safety and health protection are fundamental parameters in our work. Every staff member must contribute to achieving exemplary performance in these areas.

Safety at work: Our responsibility towards staff members and colleagues calls for optimum accident prevention measures. This applies both to the technical design of workplaces, the place of activity, facilities and processes, and to safety management and personal conduct in our daily work. The working and activity environment shall be in line with health and safety standards.

Staff members are prohibited from drinking alcohol excessively to the extent of showing bad behaviour to church communities and members or to causing verbal harm to others. Drinking alcohol, tobacco and smoking is prohibited during working hours.

All staff members must maintain a constant awareness of safety at work.

(7) Violations of the compliance policy

Reporting: Any staff member can lodge a complaint or report a suspected violation of the Compliance Policy with their superior or another designated person. The matter will then be thoroughly investigated and the necessary measures will be taken. All documents will be held in confidence. Negative

consequences against those reporting are not to be tolerated in any manner. Through this Policy, there is no legal obligation to report misconduct.

Consequences of non-compliance: Compliance is compulsory for all staff members of PF X. Disciplinary action will be taken as a corrective measure in the case of unacceptable behaviour (e.g., misconduct, negligence).

Generic guidelines:

- Before a formal disciplinary action is instituted, the following shall apply:
 - A clear explanation of the unacceptable behaviour/performance shall be communicated.
 - A clear explanation of what further disciplinary action could be taken and what it could result in if the staff fails to correct his/her behaviour or improve his/her performance.
- Where circumstances warrant disciplinary action, staff will be notified of the charge laid against him/her in writing and that corrective action is necessary given the circumstances.
- The chairperson at a disciplinary inquiry must at least be on a supervisory level.
- The initiator of disciplinary action must be at least one level higher than the alleged transgressor.
- In determining the appropriate sanction, the superior shall take into consideration the mitigating factors of the case and bear in mind that disciplinary measures are not punitive but taken to correct behaviour.
- The sanction shall be commensurate with the nature of the offence that has been committed.
- The sanction shall be fair and consistent with disciplinary action previously taken in other similar circumstances.
- Depending on the circumstances and the seriousness of the matter in question, disciplinary action may be invoked progressively or independently and take one of the following forms:
 - Verbal warning
 - Counselling
 - Written warning
 - Final written warning

Specific Guideline:

- If a staff member is leaving from work without explanation or proper resignation process, he/she shall not receive any staff benefits.
- Any misuse of office equipment or if office equipment is destroyed/broken as a result of personal use, he/she shall repay half the amount of the original price of the office equipment.
- Misuse or personal use of funds will result in disciplinary actions.

Disciplinary action procedure: In the event of the breach of discipline by a staff member, they shall be liable to disciplinary action. The procedure shall be in stages.

- **Verbal warning:** If a staff member commits misconduct of a minor nature and/or it is for the first time, the staff member's immediate superior shall:
 - Identify the real problems and causes.
 - Work out solutions to the problem.
 - Ensure that the staff knows what is expected of him/her.

- Warn the staff verbally of the possibilities (e.g., a misconduct charge in case of repeated misconduct).
- The verbal warning shall not be recorded in the staff's personal file.
- **Written warning:** A written warning may be issued if the superior is still not satisfied with the staff member's behaviour or conduct after a verbal warning has been given, or if the staff member commits another misconduct.
 - If the superior considers the misconduct to be of a serious nature or it is repeated misconduct, the next warning shall be done to writing.
 - The superior must make it clear that formal disciplinary procedure had been started.
 - Failure to sign the written warning shall not invalidate the warning.
 - The written warning shall be recorded in the staff's file.
 - As for the formal disciplinary process, a second written warning needs to be submitted.
- **Final written warning:** A final written warning may be issued if the previous two written warnings have had no effect or if the misconduct is of a serious nature.

(8) Additional policies

The following more detailed policies might be included as well:

- **Anti-Fraud Policy**
- **Protection from Sexual Exploitation and Abuse Policy**
- **Child Protection Policy:** [View PFI's](#)
- **Gender Policy**