

Anti-Corruption & Financial Irregularities Report 2022

In accordance with Stichting Fern's cooperation agreement with Norad, QZA-21/0187: *'Using European policies to protect rights & reduce global deforestation'*, Stichting Fern makes public a description of its efforts to combat financial irregularities in its operations of the previous year, as well as any closed cases of financial irregularities that the grant recipient has been involved in during the previous year.

Summary of year

Fern continued to build on the initiatives commenced in 2021. This included strengthening mechanisms for employees, stakeholders, or whistle-blowers to confidentially and securely report suspected or observed corrupt practices, such as bribery, embezzlement, fraud, or unethical conduct related to financial transactions. By establishing a robust reporting mechanism, Fern has created a culture of transparency, accountability, and integrity, that ultimately helps to deter corrupt practices and protect the interests of all stakeholders. The lifting of COVID-19 travel restrictions allowed Fern to re-commence face-to-face visits with our worldwide financial partners. These visits were used to review financial and governance systems and to ensure the integrity of reporting, as well as adherence to financial rules.

What did we do in 2022 to minimise the risk of corruption and financial irregularity?

Fern has worked to ensure that **risk management** becomes an important consideration for staff at all levels of the organisation. Discussion of emerging risks and the potential mitigations has now become a standing item on the agenda of all-staff meetings, with the results feeding into Fern's risk register (shared with the Management Team and Board). The **focus on transparency across all levels of the organisation** fosters responsibility and integrity and gives people the knowledge and confidence to challenge and report 'red flags' when they identify them.

In 2022 Fern stepped up work on **cyber security**, with selected staff attending training and the introduction of **multi-factor authentication** (MFA) across our user environment. This will help to ensure that external fraudulent activity targeting Fern's work and finances can be better protected against.

In the early part of 2022, Fern held **two online financial capacity trainings** with our financial project partners, to ensure that best practice is shared and that all implementing partners have received the same level of training on project compliance rules. This is on top of **continued regular financial follow-up calls** to ensure that sub-granted spend remains aligned with budgets and all evidence submitted as supporting documents meets donor requirements.

Two members of Fern's finance team undertook trips to meet with NICFI implementing partners in the Republic of Congo and Liberia in the past year, as part of our planned **ongoing due diligence work**. The missions aimed to foster **closer working relationships** with the project financial staff, give advice and support as well as review systems and processes for potential weaknesses.

Work on improving Fern's **safeguarding protocols** and awareness also continued in 2022. This is a vital area of work, as corruption is often linked to safeguarding incidents and power imbalances. Fern's policies were further strengthened and an **external safeguarding mapping exercise** was completed by [Esther Dross](#), a specialist with over 20 years of safeguarding experience with humanitarian agencies.

The **new financial management system** [Sage BoB](#) implemented in the prior year, is functioning well and is now fully embedded in all of Fern's processes, including direct links with the budget and



Fern Finance Officer, with NICFI project Implementing Partners, Republic of Congo, May 2022

electronic expenses system. **Better oversight** offered by the software allows supporting documentation to be easily reviewed and duplicate transactions to be easily identified by the finance team. Fern's finance team completed rigorous checking of supporting documents requested of partners.

To ensure fiduciary compliance, **external financial audits** were completed for Fern's annual accounts, with project audits being completed for the NICFI, EU LIFE project, EUD Liberia and Green Livelihoods Alliance (NL Government) projects. All audits were completed by a registered auditor ([VRC Bedrijfsrevisoren](#)). No exceptions were noted.

Financial Irregularities in 2022

There were no issues of financial irregularities identified for Stichting Fern in 2022. No concerns of financial irregularities by any of Fern's subgrantees were identified or brought to our attention.

Norad direct contact

If you wish to contact Norad's whistleblowing channel for financial irregularities, you can email: varsling@norad.no. If you wish to report through this channel, please use [Norad's report form for whistleblowing](#).