

Annual Corruption Case Report

2023



SOS CHILDREN'S
VILLAGES

Introduction

SOS Children's Villages is committed to eradicating corruption in all its services and operations. Working in more than 130 countries and territories, we implement and maintain robust systems and processes to minimize the risk of corruption across all organizational levels. Our goal is to ensure that every action taken is in the best interest of the children, young people and families we serve.

At SOS Children's Villages, our main objective is to ensure that children and young people grow up in supportive, nurturing environments so that they can become their strongest selves. To do this, we provide a range of services and programmes focused on keeping families together, providing alternative care for children when necessary and appropriate, and working with governments and partners for positive change in policy and practice. In everything we do, we assume professional responsibility and accountability for the efficient use of the resources entrusted to us. Thousands of donors, partners and companies trust in our ethical conduct, based on our organizational values and specific values-based behaviours and competencies, among which protection and good use of our funds and assets play a key role.

Our anti-corruption work is anchored in Goal 3 of our Strategy 2030, "We ensure and live safeguarding in our daily actions," and guided by Outcome 3 of the General Secretariat Safeguarding Strategy 2024–2030, "Anti-corruption and asset protection are integrated into federation-wide standard processes."

This interim report was prepared by the Anti-Corruption and Asset Protection unit, which was formally set up at the end of 2023 as part of the Safeguarding Department at SOS Children's Villages International to prevent and respond to corruption at all levels of the SOS Children's Villages federation. Joining efforts with the Internal Audit unit, we aim to detect and respond to corruption incidents.

Due to changes in the organizational structure of SOS Children's Villages International, our annual corruption case reports could not be released for 2021 and 2022. This report provides an overview of corruption incidents reported to the International Office of SOS Children's Villages International in 2023 via its [online whistle-blowing channel](#). In place since late 2017, the channel can be used to report suspected corrupt conduct and child and youth safeguarding incidents securely and, if desired, anonymously. A child- and youth-friendly version is also available.

The Anti-Corruption and Asset Protection unit will resume detailed reporting in 2025.

The SOS Children's Villages anti-corruption framework

Our anti-corruption efforts worldwide are guided by the following policy documents, which are binding for both SOS Children's Villages International and all its member associations:

- The **Good Management and Accountability Policy** defines management, transparency, integrity and corruption prevention standards. The policy establishes a zero-tolerance approach to corruption, which means that corruption always results in a response. This response varies depending on misconduct severity, from criminal prosecution to training and individual development.
- The **Anti-Fraud and Anti-Corruption Regulation** explains different forms of corruption and their consequences. It also lays out staff responsibilities and procedures for reporting, investigating and responding to allegations.
- The **Code of Conduct Regulation** establishes shared expectations regarding acceptable behaviours among all staff, governing body members and any other persons working for or on behalf of SOS Children's Villages.

Global reporting channels for suspected corrupt conduct

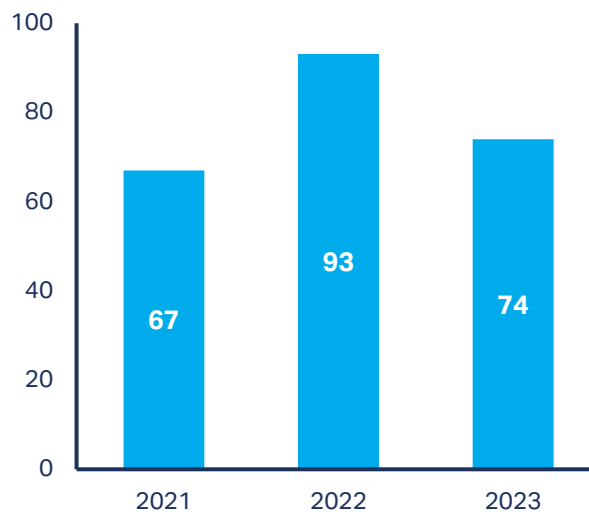
- **Online whistle-blowing channel**
<https://www.sos-childrensvillages.org/anti-corruption>
- **E-mail**
misconduct@sos-kd.org



Reported corruption incidents

In 2023, we received 74 reports via the online whistle-blowing channel, compared to 93 in 2022 and 67 in 2021.

Figure 1. Number of reports received via the online whistle-blowing channel in 2021, 2022 and 2023

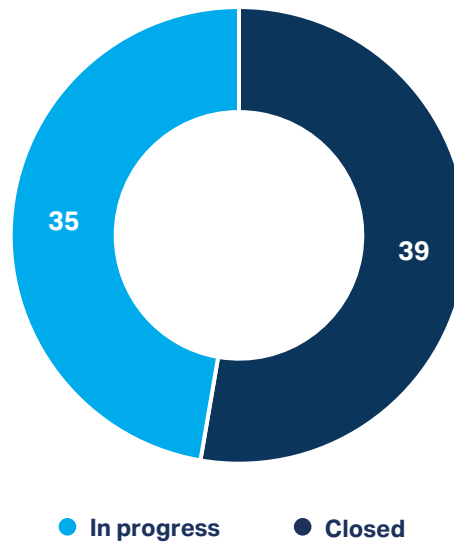


Of the 74 reports received in 2023, about two-thirds (45 reports) were found to contain allegations of corrupt conduct. These allegations included, among other issues, overspending, misuse or withholding of funds, kickbacks, misappropriation of resources, irregular procurement, and financial irregularities (for examples of corrupt conduct, see the [annex](#)). The remaining 29 reports were not related to corruption but rather constituted programme quality or human resources concerns or general complaints. These non-corruption reports were referred to appropriate units of the International Office for further assessment and follow-up.

Our data suggests growing awareness of and confidence in the reporting process: the number of reports submitted via the online whistle-blowing channel has been increasing ever since its introduction in 2017, with a reporting peak observed in 2022. However, some regions tend to be under-represented: for example, no reports were received from Western Europe and North America in 2023. This requires further analysis and monitoring to improve awareness of the whistle-blowing channel as well as of other reporting options.

In 2023, secure postboxes were set up for 17 (23%) of the 74 reports. A postbox is an optional feature that enables the incident manager to communicate with the person submitting the report and request additional information if necessary. If a report has limited information and the reporter chose to not set up a postbox, allegations are either handed over to the appropriate unit for monitoring or forwarded to regional internal auditors and incident managers for closer follow-up or inclusion in internal audits or special investigations.

Figure 2. Status of incidents reported via the online whistle-blowing channel in 2023, as of the end of 2023



As of the end of 2023, 39 of the 74 reported incidents (53%) were closed, and the remaining 35 were in progress. An incident is closed after a full assessment or investigation is complete, any corrective actions have been implemented, and, where appropriate, legal action has been initiated.

Annex. Definitions and examples of corrupt conduct

The following are examples of conduct that must be reported as suspected corruption.

Bribery

The offer or exchange of money, services or other valuables to influence the judgment or conduct of a person in a position of entrusted power. For example:

- An employee makes a payment to a city official to obtain a building permit.
- An employee accepts money from a supplier in return for awarding the supplier a contract.

Embezzlement

The misappropriation of funds or assets entrusted to someone in their formal position as an agent or guardian. For example:

- An employee claims to have lost their company mobile phone after giving it to a family member for private use.
- An employee transfers funds from company accounts to their own private bank account.

Extortion

An act that relies on intimidation, fear and threats to force someone to do something or cooperate. For example:

- An employee threatens to spread lies about their supervisor if the supervisor does not allow them to use the company car for private purposes.

Fraud

The offence of intentionally deceiving someone in order to gain an unfair or illegal advantage (financial, political or otherwise). For example:

- An employee submits private receipts as business travel expenses.
- Payroll staff create fake employees and direct the money paid to these non-existing employees into their own bank accounts.
- An employee forges an invoice to personally collect the invoiced amount.

Theft

Dishonestly taking something that belongs to someone else and keeping it. For example:

- An employee takes a company computer home and keeps it.

Founded in 1949, SOS Children's Villages is the world's largest non-governmental organization focused on supporting children and young people without parental care or at risk of losing it.

Child neglect, abuse and abandonment is everywhere. Families are at risk of separation. Locally led, we work in more than 130 countries and territories to strengthen families who are under pressure so they can stay together. When this is not in a child or young person's best interests, we provide quality care according to their unique needs.

Together with partners, donors, communities, children, young people and families, we enable children to grow up with the bonds they need to develop and become their strongest selves. We speak up for each child's rights and advocate for change so all children can grow up in a supportive environment.

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