

Investigation Procedure

Preamble

Catalytic Finance Foundation ("Catalytic") is committed to ensuring that allegations of misconduct are assessed and, where appropriate, investigated in a fair, confidential, impartial, objective and timely manner.

This Investigation Procedure establishes the arrangements and responsibilities applicable to the assessment, investigation and resolution of allegations reported to Catalytic.

Given the size and organisational structure of Catalytic, the Foundation does not maintain a stand-alone investigation department. Catalytic operates a proportionate investigation mechanism involving its management and governance bodies and, where appropriate, independent external professional investigators.

The purpose of this Procedure is to ensure that Catalytic has access to the appropriate level of independence, professional expertise and investigative capacity whenever an allegation requires investigation.

The Procedure complements Catalytic's existing policies and forms part of the Foundation's framework for the prevention, reporting, investigation and resolution of misconduct. The Procedure should be read in conjunction with Catalytic's:

- Code of Conduct and Ethics;
- Whistleblower Policy;
- Confidential whistleblowing and complaint reporting mechanism;
- And other relevant internal policies and procedures.

Where different requirements apply under applicable law, contractual obligations or donor requirements, Catalytic shall apply the relevant requirements in addition to this Procedure.

1. Scope of Application

This Procedure applies to allegations concerning, among others:

- fraud, corruption, bribery, collusion or other prohibited practices;
- misuse or misappropriation of funds or assets;
- conflicts of interest;
- money laundering or other financial misconduct;
- discrimination, harassment, bullying, sexual exploitation, abuse or harassment;
- retaliation against whistleblowers, witnesses or participants in an investigation;
- breaches of Catalytic's Code of Conduct and Ethics or other internal policies;
- serious breaches of contractual, legal, regulatory or donor requirements; and

- other conduct that may materially affect Catalytic, its employees, programmes, partners, beneficiaries, donors or stakeholders.

This Procedure applies to allegations involving employees, members of Catalytic's governance bodies, consultants, experts, service providers, partners and other individuals or entities acting on behalf of, or in connection with, Catalytic.

2. Investigation Principles

All assessments and investigations shall be guided by the following principles:

- **Independence and impartiality.** Investigations shall be undertaken without interference and by persons who are independent from the allegation and the individuals concerned.
- **Confidentiality.** Information concerning allegations and investigations shall be disclosed only to persons who require access for the appropriate assessment, investigation, decision or follow-up of the matter, or where disclosure is otherwise required by law.
- **Fairness.** Investigations shall be conducted objectively and fairly, taking into consideration relevant information both supporting and contradicting an allegation.
- **Absence of conflicts of interest.** No person who is the subject of an allegation, implicated in the matter, or otherwise subject to an actual, potential or perceived conflict of interest may participate in its assessment or investigation.
- **Protection against retaliation.** Catalytic prohibits retaliation against individuals who report concerns in good faith, provide information or participate in an investigation.
- **Professional competence.** Investigations shall be conducted by persons possessing appropriate qualifications, training and/or relevant professional experience.
- **Proportionality.** The nature and extent of an investigation shall be proportionate to the seriousness, complexity and potential consequences of the allegation.
- **Documentation.** Significant decisions, investigation steps, findings and resulting actions shall be appropriately documented.

3. Reporting of Allegations

Allegations may be submitted through the internal or external reporting channels established in Catalytic's Whistleblower Policy and other grievance or reporting mechanisms established in the Code of Conduct and Ethics.

Reports may be submitted anonymously.

Individuals reporting concerns are encouraged to provide, where available:

- a description of the alleged conduct;
- the persons or entities involved;
- relevant dates and locations;
- supporting documents or other evidence;
- information concerning potential witnesses; and
- any other information that may assist in assessing the allegation.

A lack of complete information shall not prevent Catalytic from assessing an allegation.

4. Receipt and Registration

Upon receipt, allegations shall be handled confidentially and recorded in a secure manner.

Access to information concerning an allegation shall be restricted to persons requiring such information for the assessment, investigation, decision-making or implementation of resulting measures.

Anonymous allegations shall be assessed according to the same principles as other allegations, taking into consideration the information and evidence reasonably available.

5. Preliminary Assessment

Each allegation shall undergo an initial assessment to determine the appropriate course of action.

The preliminary assessment shall consider, as relevant:

- the nature and seriousness of the allegation;
- whether the allegation falls within the scope of Catalytic's activities or policies;
- the information and evidence available;
- whether additional information should be sought;
- whether immediate protective, precautionary or safeguarding measures are required;
- whether an actual, potential or perceived conflict of interest exists;
- whether the matter requires specialist investigative expertise;
- whether an independent external investigator should be appointed;
- whether the allegation potentially constitutes criminal or unlawful conduct; and
- whether notification or referral to a donor, regulator, law-enforcement body or other competent authority may be required.

The purpose of the preliminary assessment is not to determine whether an allegation is substantiated, but to determine how the matter should appropriately be handled.

Following the assessment, Catalytic may:

- initiate an investigation;
- refer the matter to another appropriate internal process;
- appoint an independent external investigator;
- refer the matter to an appropriate external authority;
- implement immediate protective measures; or
- close the matter where there is insufficient basis to proceed.

The decision and its rationale shall be appropriately documented.

6. Responsibilities and Independence

6.1 Chief Executive Officer (CEO)

In the ordinary course, the Chief Executive Officer is responsible for ensuring that allegations are appropriately assessed and that an investigation is initiated where required.

The Chief Executive Officer may appoint an appropriate person to assist with the preliminary assessment or investigation, provided that the person has the necessary competence and independence.

6.2 Council of the Foundation

Where:

- an allegation concerns the Chief Executive Officer;
- the Chief Executive Officer has an actual, potential or perceived conflict of interest;
- an allegation concerns senior management or governance;
- the seriousness or sensitivity of the allegation warrants independent governance oversight; or
- circumstances otherwise make escalation appropriate,

responsibility for oversight of the matter shall be transferred to the Council of the Foundation.

The Council may designate one or more non-conflicted members to oversee the matter or may appoint an independent external investigator.

Any Council member who is implicated in, connected to, or otherwise conflicted regarding an allegation shall take no part in its assessment, investigation or decision.

7. Appointment of Investigators

Depending on the nature and seriousness of the matter, an investigation may be conducted by an appropriately designated person within Catalytic where that person possesses sufficient competence and independence.

Where specialised expertise or enhanced independence is required, Catalytic shall appoint an appropriately qualified independent external investigator or professional service provider.

External investigators shall be selected based on:

- relevant qualifications, training and/or professional experience;
- demonstrated experience conducting investigations;
- appropriate expertise concerning the type of allegation;
- independence from Catalytic and the persons and matters concerned;
- absence of actual, potential or perceived conflicts of interest;
- ability to maintain appropriate confidentiality; and
- ability to conduct the investigation objectively and professionally.

Catalytic shall specifically consider appointing an independent external investigator for serious or complex allegations involving fraud, corruption, other prohibited practices, senior management, governance members, significant conflicts of interest, or material legal, financial or reputational risks.

External investigative capacity may be retained on an as-needed basis. Catalytic is not required to maintain a permanent external investigator.

8. Investigation Mandate

Before commencing a formal investigation, its scope and objectives shall be defined.

For material investigations, written Terms of Reference should be established specifying, as appropriate:

- the allegation or matters to be investigated;
- the investigator;
- the scope and objectives of the investigation;
- the investigator's authority to access relevant records and personnel;
- confidentiality requirements;
- expected deliverables;
- reporting arrangements; and
- the authority to which the investigation findings shall be submitted.

The scope may be amended where additional relevant issues arise during the investigation.

9. Conduct of the Investigation

The investigator shall determine the appropriate investigative methodology according to the circumstances of the case.

Investigation activities may include:

- reviewing relevant documents, records and correspondence;
- examining financial or contractual information;
- reviewing relevant electronic information where legally permissible;
- interviewing the reporting person;
- interviewing the person or persons subject to the allegation;
- interviewing witnesses and other relevant parties;
- collecting, verifying and preserving relevant evidence;
- consulting legal, financial, technical or other specialists where necessary; and
- undertaking other lawful and proportionate investigative actions necessary to establish the relevant facts.

Employees, consultants and other individuals acting on behalf of Catalytic are expected to cooperate in good faith with authorised investigations and to preserve relevant information.

10. Fairness and Right Response

The existence of an allegation shall not in itself constitute evidence of wrongdoing.

Investigations shall consider relevant information objectively and shall not presume that an allegation is substantiated before the investigation has been completed.

A person subject to an allegation shall, as appropriate, be informed of the material allegations concerning them and provided with a reasonable opportunity to respond before final findings are reached, except where doing so would:

- be prohibited by applicable law;
- materially compromise the integrity of the investigation;
- create a significant safeguarding or retaliation risk; or
- otherwise prejudice legitimate investigative measures.

11. Investigation Report and Findings

At the conclusion of an investigation, the investigator shall prepare an appropriate written record or investigation report.

Depending on the circumstances, this should include:

- the allegation investigated;
- the scope of the investigation;
- the methodology and principal steps undertaken;
- relevant factual findings;
- an assessment of the allegation;
- identified control, procedural or governance weaknesses, where relevant; and
- recommendations for corrective, disciplinary, preventive or other measures, where appropriate.

Findings may be classified as:

- substantiated;
- partially substantiated;
- unsubstantiated; or
- inconclusive.

The investigation report shall be submitted to the Chief Executive Officer or, where the Chief Executive Officer is implicated or conflicted, to the Council of the Foundation or its designated non-conflicted members.

12. Decisions and Corrective Measures

The appropriate decision-making authority shall consider the investigation findings and determine any action required.

Actions may include:

- disciplinary measures;
- contractual remedies;
- recovery of funds or assets;
- improvements to internal controls, policies or procedures;
- additional supervision or training;
- remedial or safeguarding measures;
- suspension or termination of contractual or professional relationships;
- notification of relevant donors or other stakeholders where required;
- referral to regulatory, administrative, law-enforcement or judicial authorities; or

- other proportionate corrective or preventive measures.

To preserve the independence of the investigative process, the investigator should normally establish facts and make recommendations but should not be responsible for imposing disciplinary or other sanctions.

13. Referral to External Authorities

Nothing in this Procedure prevents Catalytic from referring a matter to competent regulatory, administrative, law-enforcement or judicial authorities.

Where an allegation potentially involves criminal conduct, fraud, corruption or another prohibited practice, Catalytic shall assess whether reporting obligations arise under applicable law, contractual arrangements or donor requirements.

Referral to an external authority does not necessarily prevent Catalytic from undertaking an internal investigation or implementing protective, contractual, disciplinary or remedial measures, subject to applicable law and any directions from the relevant authority.

14. Communication and Closure

Once an investigation has been concluded, the matter shall be formally closed and the outcome appropriately documented.

Where appropriate and legally permissible, the reporting person may be informed that the matter has been reviewed and closed.

The person subject to the allegation shall also be informed of the outcome where appropriate.

The nature and level of information communicated shall take into account confidentiality, privacy, employment law, safeguarding requirements, the rights of the individuals concerned and the integrity of any related proceedings.

Catalytic shall not be required to disclose confidential investigation reports, personal information, disciplinary measures or other restricted information to reporting persons or other third parties unless legally required.

15. Confidentiality and Record Keeping

Information and documentation relating to investigations shall be treated as confidential and maintained securely.

Investigation records may include:

- the original allegation;
- supporting evidence;
- records of the preliminary assessment;
- conflict-of-interest assessments;
- investigation Terms of Reference;
- documentation and evidence reviewed;

- interview notes;
- investigation reports;
- records of decisions taken; and
- records of corrective or preventive measures.

Access shall be restricted to authorised persons.

Records shall be retained in accordance with applicable legal requirements and Catalytic's document-retention arrangements.

16. Protection Against Retaliation

Catalytic strictly prohibits retaliation against any person who, in good faith:

- reports or raises a concern;
- provides information relating to an allegation;
- participates in an investigation;
- acts as a witness; or
- assists another person participating in a reporting or investigation process.

Any allegation of retaliation shall itself be assessed as potential misconduct and may result in disciplinary or other appropriate measures.

The prohibition against retaliation applies irrespective of whether the underlying allegation is ultimately substantiated, provided that the report was made in good faith.

17. Monitoring and Governance Oversight

The Chief Executive Officer shall maintain appropriate oversight of allegations and investigations, subject to confidentiality requirements, and shall escalate significant matters to the Council of the Foundation.

The Council of the Foundation may periodically review anonymised information regarding allegations and investigations, including:

- the general nature and number of matters reported;
- investigation status and outcomes;
- identified recurring issues;
- internal control or governance weaknesses; and
- implementation of corrective and preventive measures.

Such oversight shall be conducted without unnecessary disclosure of personally identifiable or confidential information.