

# Procedure for the Receipt, Retention and Treatment of Complaints at the Black Sea Trade and Development Bank

## Introduction

In accordance with the Bank's Corporate Governance Framework (BD-2007-088, COR-33) policy, the Bank shall establish and maintain procedures for:

- (i) the receipt, retention and treatment of complaints received by the Bank from any source, either internally or externally, in connection with any operations, accounting, or internal control matters; and
- (ii) the submission by employees of the Bank, on a confidential and anonymous basis, of communications that involve any employee concerns regarding potentially questionable operational, accounting or internal control matters.

Furthermore, a number of other Bank policies refer to a complaints mechanism/s and describe channels of communication that can be used for receipt, reporting, retention and treatment of complaints. Hence, this Procedure complements and facilitates these policies (please refer to *Appendix I* of this Procedure).

## Scope of this Procedure

The scope of this procedure is to establish an efficient and effective integrated mechanism for the receipt, retention and treatment of complaints received by the Bank from any source, either internally or externally, in connection with any of its operations, accounting, internal control or other matters.

## Definition of a Complaint

A complaint is a written (fax, letter, e-mail, web-mail, etc.) or verbal (using the Bank's dedicated Complaints Hotline or in person, etc.) communication, addressed to the Black Sea Trade and Development Bank, concerning (list not exhaustive):

- a. suspected fraud, corruption, money laundering or terrorism financing within the Bank or Bank financed projects
- b. allegations regarding misconduct of Bank officials, employees or consultants, including – but not limited to – harassment or employees abusing their position or making misrepresentations
- c. any aspect of a procurement or tender procedure, including suspected irregularities, corrupt or fraudulent practices in the Bank's own or the Bank's financed operations
- d. suspicion of the Bank providing misleadingly limited, unauthorized or inappropriate access to information
- e. suspected adverse environmental and/or social impacts of the Bank's own or the Bank's financed operations

Detailed definitions of the above malpractices can be found in the relevant Bank policies and procedures outlined in *Appendix I* of this Policy.

## **Who can File a Complaint**

Any staff member, or an individual or group of persons or a legal entity outside the Bank affected or feeling affected by a decision or practice of the Bank, or of an operation funded by the Bank, may file a complaint.

## **How to Report a Complaint – Initial Handling**

Complaints can be received from within the Bank or from outside the Bank. To file a complaint, the complainant should complete the report form, posted on the Bank's website and Intranet site, in as much detail as possible and submit it electronically (as per the Bank's website's and Intranet site's functionality) to the Head of Internal Audit for review and further distribution to authorised personnel within the Bank, as appropriate. Alternatively, a complaint may be reported to the Head of Internal Audit in writing (by fax, letter, e-mail, web-mail, etc.) or verbally using the Bank's dedicated Complaints Hotline or in person.

All complaints from or received by a staff member, or from an individual or group of persons or a legal entity outside the Bank should be submitted to the Head of Internal Audit. Any complaints that may be received directly by a staff member or unit/s responsible for the complaint's handling/ treatment according to the Bank's policies, should also be reported to Head of Internal Audit the soonest possible. All complaints received are registered by the Internal Audit Department and reviewed to determine within which department's, officer's or Bank official's authority or jurisdiction they fall in order to facilitate investigation according to the Bank's policies and/or best practices. If a complaint relates to an incident or act that may involve a staff member of the Internal Audit Department then it should be reported to the Office of the President for review and treatment, as per the Treatment of Complaints section, below, or other Bank policies, as appropriate.

## **Treatment and Retention of Complaints**

Complaints related to:

- a. suspected fraud, corruption or money laundering within the Bank or Bank financed projects are treated according to the Bank's Anti-Fraud, Corruption and Money Laundering Policy (BD-2003-018, OPE-45)
- b. allegations regarding misconduct of staff members are treated according to the Bank's Procedures for Reporting and Investigating Suspected Unsatisfactory Conduct or Misconduct (MCD 2006/038, COR-34-02)
- c. any aspects of a procurement or tender procedure are treated according to the Procurement Principles and Rules (BD-2002, OPE-21)
- d. access to information issues are treated according to the Public Information Policy (BD-2005-100, SUP-21)
- e. environmental impacts of the Bank's operations are treated according to the Environmental Policy (BD-2001, OPE-22)

On an annual basis a report will be submitted by the Head of Internal Audit to the President and the Audit Committee of the Board of Directors, presenting all complaints received and their treatment (including cycle times, total number and categories of complaints).

## **Information to be provided**

In order for a complaint to be formally considered, the subject of the complaint should be clearly stated with as much detail as possible and support documentation (if any).

Persons or entities reporting a complaint are encouraged to submit written allegations providing their name and information in as much detail as possible, including, as a minimum:

- what happened,
- when did it happen,
- where did it happen,
- how did it happen,
- who committed the alleged illegal, unethical or questionable practice,
- how is the allegation related to Bank's business, and the name of the operation, if the allegation is related to the Bank's lending activities, and
- any corroborating evidence.

Complainants are encouraged to submit their written complaints in English.

## **Prompt Reporting**

Since early reporting of suspicions or evidences facilitates more effective investigation and remediation, suspicions should be reported the soonest possible after the reporting persons or entities become aware of the suspected illegal, unethical or questionable practices and of the facts formulating them.

## **Communication with the Complainant**

If contact details of the complainant are available, after the receipt of a complaint, the Internal Audit Department shall ensure that an acknowledgment of receipt is sent to the complainant either directly or by another responsible unit of the Bank within ten working days, as appropriate and in accordance with the Bank's policies. However, the confidential nature of complaints may restrict disclosure of details of the investigation. No acknowledgement of receipt shall be sent in cases where complaints are deemed by the Head of Internal Audit in consultation with other Bank experts, as appropriate, to have been filed fraudulently or for a frivolous or malicious purpose.

## **Confidentiality and Dealing with Retaliation**

All reported suspicions will be treated as strictly confidential and, however innocent, will be reviewed, analyzed and potentially investigated.

Staff members, entities or individuals who come forward in good faith with reasonable suspicions or evidence of occurrences of illegal, unethical or questionable practices or cooperate or provide information during an ensuing review or investigation, shall be protected from unauthorized disclosure by the Bank of their involvement, unless such disclosure is required to proceed with an inquiry, or is required by the Bank's regulations. The Bank shall exert every reasonable effort to protect such persons or entities from retaliation from persons connected with the Bank (as such term is defined in the Headquarters Agreement of the Bank) within the working environment or context.

Retaliation shall mean any direct or indirect detrimental action recommended, threatened, or taken because a staff member, outside entity or individual reported in good faith on suspicions or evidence of occurrences of illegal, unethical or questionable practices or cooperated or provided information during an ensuing review or investigation. Retaliation may incur not only against other Bank's staff members but also against persons and entities engaged in dealings with the Black Sea Trade and Development Bank. A staff member who engages in such retaliation shall be subject to disciplinary action.

Anonymous complaints will be accepted as a basis for a review/analysis/ investigation. However, the Bank's capacity to follow up such reports may be limited. Accordingly, the information and evidence provided should be sufficient to constitute a basis for the complaint and facilitate the investigation. Upon the request of the complainant, his or her identity will be kept confidential by the investigation

team. The Bank's website's and Intranet site's functionality facilitates the receipt of anonymous complaints.

Access to information concerning any fact or document related to a complaint is subject to the provisions of the Bank's Public Information Policy (BD-2005-100, SUP-21).

### **Dealing with Reviews that Result in an Adverse Opinion on the Complainants' Objectives in Filing the Complaint**

A complaint will not be eligible for review if it is deemed that it was filed fraudulently or for a frivolous or malicious purpose. A staff member who acts maliciously, by disclosing information to the Bank that he or she knows or can reasonably be expected to know to be false, shall be subject to disciplinary measures.

### **Communication and Update of this Procedure**

This Procedure will be posted on the Bank's website and Intranet site and will be included in new employee orientation and periodic training programs.

Furthermore, the Head of Internal Audit will inform the Bank's Evaluation Office, as deemed appropriate, about complaints that concern any operations financed by the Bank. The Head of the Evaluation office should reflect such complaints in the course of the post-evaluation on the operations concerned, as appropriate, and report the evaluation findings/evidence within the respective operations' evaluation report, in line with the post evaluation policy of the Bank

This procedure may be updated periodically by the Bank's Management Committee following the Head of Internal Audit's recommendations. Any suggestions for the improvement or update of this procedure could be submitted by any staff member, or from an individual or group of persons or a legal entity outside the Bank to the Head of Internal Audit.

## **Appendix I**

Provisions of the following policies and procedures will apply for receipt, reporting, retention and treatment of complaints:

### **Corporate Governance Framework**

BD-2007-088, COR-33

- *Complaints Receipt and Retention Mechanism*

### **Public Information Policy**

BD-2005-100, SUP-21

- *ANNEX I: Rules for Public Access to Documents  
Complaints*

### **Procurement Principles and Rules**

BD-2002, OPE-21

- *Procurement monitoring and Bank review*

### **Anti-Fraud, Corruption and Money Laundering Policy**

BD-2003-018, OPE-45

- *F. IDENTIFYING FRAUD, CORRUPTION AND MONEY LAUNDERING*

- *G. FRAUD, CORRUPTION AND MONEY LAUNDERING REPORTING & INVESTIGATION*

### **Procedures for Reporting and Investigating Suspected Unsatisfactory Conduct or Misconduct**

MCD 2006/038, COR-34-02

### **Staff Regulations**

SUP-11

- *Section 10 – Procedures and Appeals*

### **Environmental Policy**

BD-2001, OPE-22

- *Institutional and organizational issues*

### **Rules for the Selection and Employment of Consultants – Policy Document**

SUP-02

- *par. 24, The Bank's Procurement Unit*

### **Rules for the Selection and Employment of Consultants – Procedural Document**

SUP-02-01

- *par. 88, Enquiries and Complaints*