

## ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

### Policy summary

The [Charity] has a 'zero tolerance' policy towards fraud, bribery and corruption. It will always seek to take disciplinary and/or legal action against those found to have perpetrated fraud (para 7).

The [Charity] is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum (para 8).

The [Charity] will assess the risks of fraud, bribery and corruption, establish processes and controls to minimise these risks, and regularly review the effectiveness of its control systems (paras 11 and 15).

The [Charity] requires all staff to immediately report any incidents or suspicions of fraud, bribery or corruption to an appropriate manager or another person named in Raising Concerns. The [Charity] will not penalise anyone for raising a concern in good faith (paras 16, 17 and 19).

The [Charity] will take all reports of fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in the Fraud Response Plan (para 21).

The [Charity] requires all those receiving [Charity] funds or representing the [Charity], including its suppliers, grant recipients, partners, contractors and agents, to act in accordance with this policy. This includes reporting to the [Charity] any suspected or actual instances of fraud, bribery or corruption involving [Charity] assets or staff (paras 6 and 18).

## Introduction

1. The [Charity] complies with applicable legislation, including the Fraud Act 2006, the Bribery Act 2010, and with other regulatory requirements and applicable guidance including Managing Public Money. Its trustees are required under charity law to safeguard the assets of the charity.
2. The [Charity] is committed to conducting business fairly, openly and honestly and in accordance with the highest ethical and legal standards.

## Purpose

3. The purpose of this policy is to set out the [Charity's] stance on fraud, bribery and corruption and its approach to preventing, detecting, reporting and investigating fraud, bribery and corruption.

## Scope

4. This policy applies to the [Charity] group worldwide, including its overseas branches and all separate legal entities owned and controlled by the [Charity].
5. This policy is applicable to, and must be followed by, all staff including consultants and contractors. Failure to comply could result in disciplinary action, including dismissal.
6. The [Charity] requires all those receiving [Charity] funds or representing the [Charity], including its suppliers, grant recipients, partners, contractors and agents, to act in accordance with this policy.

## POLICY

## Policy Statement

7. The [Charity] has a 'zero tolerance' policy towards fraud, bribery and corruption. This means that the [Charity]:
  - a) does not accept any level of fraud, bribery or corruption within the organisation or by any other individual or organisation receiving [Charity] funds or representing the [Charity]; and
  - b) will always seek to take disciplinary and/or legal action against those found to have perpetrated, be involved in, or assisted with fraudulent or other improper activities in any of its operations.
8. The [Charity] is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum.
9. The [Charity] requires all staff to act honestly and with integrity at all times and to safeguard the resources for which they are responsible.

## **Risk and internal control systems**

10. The [Charity] will seek to assess the nature and extent of its exposure to the risks of internal and external fraud, bribery and corruption. It will regularly review these risks, using information on actual or suspected instances of fraud, bribery and corruption to inform its review.
11. The [Charity] will seek to put in place efficient and effective systems, procedures and internal controls to: encourage an anti-fraud culture; prevent and detect fraud, bribery and corruption; and reduce the risks to an acceptable level.
12. The [Charity] will seek to equip its staff with the skills, knowledge and expertise to manage its fraud risk effectively. It will provide adequate training to make staff aware of the risks of fraud, bribery and corruption, and of their responsibilities in preventing, detecting, and reporting it.
13. The [Charity] will make all those receiving [Charity] funds or representing the [Charity], including its suppliers, grant recipients, partners, contractors and agents aware of this policy.
14. The [Charity] will work with relevant stakeholders, including comparable organisations, relevant regulators and government organizations to tackle fraud.
15. The [Charity] will regularly review and evaluate the effectiveness of its systems, procedures and internal controls for managing the risk of fraud. It will do this through risk management and assurance processes and audit arrangements.

## **Reporting – internal**

16. All staff must immediately report any suspected or actual instances of fraud, bribery or corruption. This includes offers to pay bribes, solicitation of bribes and demands to make facilitation payments. Failure to report could result in disciplinary action.
17. Reports should be made to an appropriate manager or to the Counter Fraud Team. If staff are not comfortable reporting their concerns to these people, Raising Concerns sets out who else staff can report to.
18. The [Charity] also requires all those receiving [Charity] funds or representing the [Charity], including its suppliers, grant recipients, partners, contractors and agents, to report to any suspected or actual instances of fraud, bribery or corruption involving [Charity] assets or staff. Reports should be made to the Counter Fraud Team via [insert charity email address].
19. The [Charity] will not penalise anyone for raising a concern in good faith, even if it turns out to be unfounded. Any member of staff who harasses or victimises someone for raising a concern in good faith will themselves be subject to disciplinary action.
20. The [Charity] will maintain a system for recording: all reports of actual or suspected fraud, bribery and corruption; the action taken; and the outcome of any investigation. It will use this information to inform its review of the risks and the effectiveness of its controls.

## **Reporting – external**

21. The [Charity] will fully meet its obligations to report fraud, bribery and corruption to third parties. The Fraud Response Plan sets out: the parties that suspected or actual fraud, bribery or corruption must be reported to; the nature and timing of the disclosure required; and who is responsible for making the report.

## Investigation

22. The [Charity] will take all reports of actual or suspected fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in this policy and the Fraud Response Plan.
23. The Fraud Response Plan sets out responsibilities for investigating fraud, bribery and corruption, the procedures for investigating, action to be taken and external reporting.
24. The [Charity] will always seek to take disciplinary and/or legal action against those found to have perpetrated or assisted with fraudulent or other improper activities in any of its operations. For staff, this may include dismissal. It will also seek to recover any assets lost through fraud.

## Approval of losses

25. All losses as the result of fraud must be recorded on the loss register and approved in compliance with the [Charity]'s delegated authorities.

## Specific risk mitigation measures

26. To manage the exposure to bribery and corruption, all gifts and hospitality received by staff and given to Public Officials must be approved in line with the delegated authorities and recorded on the Gifts and Hospitality Register.
27. Conflicts of interest are known to increase the risk of fraud. Therefore all staff who have an interest in an actual or potential supplier (whether personally, or through family members, close friends or associates) must report that conflict of interest to their manager.

## Responsibilities

28. The **Principal Fraud Officer** is the owner of the [Charity]'s counter fraud work and the counter fraud champion on the Executive Board.
29. The **Head of Counter Fraud** is responsible for creating and implementing the [Charity]'s counter fraud strategy and for managing the counter fraud function.
30. The **Counter Fraud Team** is responsible for recording all instances of actual or suspected fraud, bribery and corruption, ensuring that they are investigated proportionately and appropriately, and reported to external parties. They are also responsible for providing advice and training to staff on preventing, detecting and investigating fraud. This includes investigating cases where specialist input is required due to the complex nature of the case.
31. **Country Directors** are responsible for ensuring that their staff are aware of and support this policy and that all incidents of fraud, bribery or corruption are reported. They are also responsible for ensuring that all incidents of fraud, bribery or corruption in their country are managed and investigated in line with this policy. They should liaise with and support the Counter Fraud Team in doing this.
32. **Managers receiving reports** of fraud, bribery and corruption are responsible for reporting them to the Counter Fraud Team, and agreeing with them how the case will be managed and who will be responsible for investigation.
33. **All staff** are responsible for complying with this policy.

## Definitions

34. **Fraud** is knowingly making an untrue or misleading representation with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another.
35. **Bribery** is giving or offering someone a financial or other advantage to encourage that person to perform their functions or activities improperly, or to reward someone for having already done so.
36. A **facilitation payment** is a type of bribe. An example is an unofficial payment or other advantage given to a public official to undertake or speed up the performance of their normal duties.
37. **Corruption** is the misuse of entrusted power for personal gain. This would include dishonest or fraudulent behavior by those in positions of power, such as managers or government officials. It would include offering, giving and receiving bribes to influence the actions of someone in a position of power or influence, and the diversion of funds for private gain.
38. A **conflict of interest** is where an individual has private interests that may or actually do influence the decisions that they make as an employee or representative of an organisation.

#### Approval and review

Approved by	
Policy owner	
Policy author	
Date	
Review date	

#### Links to related policies and procedures

[Raising Concerns](#)  
[Fraud response plan](#)  
[Code of Conduct](#)  
[Gifts and hospitality policy](#)  
[Anti-money laundering and counter-terrorism policy](#)  
[FAQ](#)

## **FURTHER GUIDANCE ON FRAUD**

### **Summary of legislation**

The relevant legislation in the UK is [The Fraud Act 2006](#). The Fraud Act 2006 defines a general offence of fraud and sets out three ways by which fraud can be committed:

- fraud by false representation. A representation is false if it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading.
- fraud by failing to disclose information.
- fraud by abuse of position. This applies to those occupying a position in which they are expected to safeguard, or not to act against, the financial interests of another person.

In each case, the offence is to act dishonestly with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

### **Examples of fraud relevant to the [Charity]:**

Procurement fraud:

- Staff colluding with suppliers and ordering and paying for goods or services that are not required and / or have not been delivered, or are charged at an excessive rate.
- Staff or third parties creating false invoices, receipts, purchase orders or supplier identities in order to obtain payment for goods and services that have not been supplied.
- Staff awarding a contract, or preferential terms, to a supplier in return for payments, personal discounts, commission or other benefits; or awarding a contract to a relative or other connected party.

Fraudulently altering documents or records:

- Grant recipients not spending grant funds on purposes intended, or keeping funds for personal use, and falsifying records to support false claims.
- Staff issuing false receipts to customers in order to keep the funds paid for personal use.
- Staff or third parties altering vendor payment details to divert supplier payments to own bank account.
- Staff fraudulently altering exam papers or exam results, or releasing details of exam papers in return for a bribe or in order to favour a relative.
- Staff fraudulently altering accounting records.

Expenses fraud:

- Staff claiming expenses or allowances to which they are not entitled, including by falsifying receipts.
- Staff using TEX card for personal expenses.
- Staff using [Charity] assets, such as mobile phones, for their own personal use.
- Staff or contractors falsifying travel and subsistence or other expense claims.

Fraud involving impersonation:

- Staff or third parties impersonating the [Charity] in order to extract fees for a service which the Council does not provide, or does not charge for.
- Staff or third parties submitting false applications from real or fictional individuals or organisation for grants.

Payroll fraud:

- Staff creating non-existent employees for directing payments.
- Staff or temporary staff making false or inflated claims for overtime or flexible working.

## FURTHER GUIDANCE ON BRIBERY

### Summary of legislation

The relevant legislation in the UK is [The Bribery Act 2010](#). The Act makes it an offence to give or receive a bribe, ie to:

- Offer, promise or give a financial or other advantage to another person with the intention of inducing them to perform their functions improperly, or to reward them for having done so.
- Request, agree to receive or accept a financial or other advantage as the reward for an improper function or activity.

It also makes it an offence to bribe a foreign public official. A foreign public official is someone elected or appointed to a legislative, administrative or judicial position in an overseas government or other public agency or organisation. It is an offence to offer such a person a financial or other advantage with the intention of influencing them in the performance of their official duties.

The Act also creates a corporate offence of failing to prevent bribery. This means that the [Charity] could be liable if someone offers a bribe on its behalf, including employees and third parties carrying out [Charity] business, such as partners and suppliers.

The Act applies to UK organisations operating overseas, so the [Charity] could be prosecuted if any of its staff worldwide offer or solicit a bribe; this is why the policy applies globally.

### Examples of bribes relevant to the [Charity]:

Advantages that could be offered as part of a bribe:

- Cash, vouchers or other cash equivalents, or a “fee”.
- Gifts.
- Hospitality or entertainment (outside what would be modest and reasonable in the business context).
- The [Charity] paying travel and accommodation costs to a third party where this is not standard business practice (eg not expenses for staff or exam invigilators).
- [Charity] staff receiving travel or accommodation free of charge from a supplier
- Loans.
- Favourable business terms.
- Discount of services, or providing services free of charge (or ‘uninvoiced’)
- Provision of information that offers a business or personal advantage.

Offering or receiving one of the above advantages could count as a bribe if any of the following was offered or given in return:

- Award of contract to particular bidder.
- Performance of normal duties by a foreign public official.
- Altering exam paper or marks.
- Obtaining information that would put an individual or the [Charity] at an advantage, such as the content of exam papers, or information about a competitive tender.
- Any other preferential treatment influenced by the receipt of an advantage.

The following would not usually count as bribes:

- Payment of an official charge, such as a visa
- Normal hospitality provided in the course of business, such as provision or acceptance of a modest meal at a working event.

Whether a provision of a particular item or service counts as a bribe depends upon the context and level of hospitality (etc) offered. The Bribery Act is not intended to prohibit reasonable and

proportionate hospitality or business expenditure. Genuine hospitality or similar business expenditure that is reasonable and proportionate, in line with normal [Charity] policy and practice. Judgement is required and the decision depends upon level of hospitality provided and the level of influence the person receiving it had on the business decision in question

SPECIMEN ONLY



## FURTHER GUIDANCE ON FACILITATION PAYMENTS

A facilitation payment is making a payment or offering an advantage to a public official to undertake or speed up the performance of their normal duties. Facilitation payments are a form of bribe and are illegal under [The Bribery Act 2010](#).

### Examples of facilitation payments relevant to the [Charity]:

- Making a payment to clear items through customs. These are not acceptable and must not be made.
- Offering a government minister exceptional hospitality (ie beyond a modest meal) whilst trying to win a contract.
- Making a 'non-official' payment to police to guard a building or provide security services.
- [Charity] staff being offered free meals or accommodation (outside what would be modest and reasonable in the business context) in an effort to obtain favourable treatment.
- Making a payment to pass through border controls.

### Exceptions

The Bribery Act recognises that there are circumstances in which individuals are left with no alternative but to make payments in order to protect against loss of life, limb or liberty, and the common law defence of duress is likely to be available.

This might apply in particular to being asked to make a payment to pass through border controls. In these circumstances, staff should follow these steps:

1. If asked for a payment, refuse. If the official insists, ask them where the requirement for a fee is displayed, and also ask for a receipt.
2. If they continue to insist, without being able to provide evidence that the fee is legitimate, ask for a supervisor and inform them that you would be prosecuted if you make this payment.
3. The Bribery Act recognises that there are circumstances in which individuals are left with no alternative but to make payments in order to protect against loss of life, limb or liberty, and the common law defence of duress is likely to be available. If you feel that refusing to pay puts you at risk of loss of life, limb or liberty make the payment and report it to as soon as possible to your manager and the Head of Counter Fraud. They will decide whether this should be reported to authorities. The fact that you have made it difficult for the official to obtain a bribe may deter them from asking others.

#### Disclaimer

Whilst every effort has been made in the construction of these sample fraud policy statements, compliance with them does not guarantee that you and/or your charity will not be a victim of fraud or criminality aimed against you and/or your charity.

The Fraud Advisory Panel, Charity Commission for England and Wales and the contributors of these sample fraud policy statements will not be liable for any reliance you place on the information in this material. You should seek independent advice.