

GNUK Anti-fraud, bribery and corruption policy

Policy summary

GNUK 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. GNUK will always seek to recover any ill gotten gains.

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

GNUK 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.

GNUK 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. GNUK will not penalise anyone for raising a concern in good faith.

GNUK will take all reports of fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in the Fraud Response Plan.

GNUK requires all those receiving funds through GNUK or representing GNUK, including its suppliers, delivery partners, contractors and agents, to act in accordance with this policy. This includes reporting to GNUK any suspected or actual instances of fraud, bribery or corruption involving GNUK assets or staff .

Introduction

1. GNUK 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. GNUK 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 GNUK'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 worldwide, including all separate legal entities owned and controlled by GNUK.
5. This policy is applicable to, and must be followed by, all staff including consultants and contractors and delivery partners. Failure to comply could result in disciplinary action, including dismissal.

Policy

Policy Statement

6. GNUK has a 'zero tolerance' policy towards fraud, bribery and corruption. This means that GNUK:
 - a) does not accept any level of fraud, bribery or corruption within the organisation or by any other individual or organisation receiving funds through GNUK or representing GNUK; 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.
7. GNUK is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum.
8. GNUK requires all staff to act honestly and with integrity at all times and to safeguard the resources, such as money, equipment and time, for which they are responsible.

Definitions

9. 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.
10. 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. For example, this could be in the form of sexual coercion or the abuse of an aid recipient.
11. 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.
12. Corruption is the misuse of entrusted power for personal gain. This would include dishonest or fraudulent behaviour 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.
13. 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.

Risk and internal control systems

14. GNUK 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.
15. GNUK 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.
16. GNUK 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.

17. GNUK will make all of those receiving funds through GNUK or representing GNUK, including its suppliers, delivery partners, contractors and agents aware of this policy.
18. GNUK will work with relevant stakeholders, including comparable organisations, relevant regulators and government organisations to tackle fraud.
19. GNUK 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

20. 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.
21. Staff should complete a fraud incident report. See Annex B or The staff HR Folder for incident report templates.
22. GNUK requires all those receiving funds through GNUK or representing GNUK, including its suppliers, delivery partners, contractors and agents, to report to any suspected or actual instances of fraud, bribery or corruption involving GNUK assets or staff.
23. Reports should be made to the Director. If staff are not comfortable reporting their concerns to these people, Raising Concerns sets out who else staff can report to.

Contact

Director: Contact@goodneighbours-uk.org

Who will inform the Anti-Fraud, Bribery and Corruption Champion on the board.

If the Director is implicated, then this should be escalated to the Anti-Fraud, Bribery and Corruption Champion, on the board, and The Chair of trustees.

24. GNUK 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.
25. GNUK 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

26. GNUK 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

27. GNUK 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.
28. The Fraud Response Plan sets out responsibilities for investigating fraud, bribery and corruption, the procedures for investigating, action to be taken and external reporting.
29. GNUK 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.

Fraud Response Plan

- Become familiar with these principles and to whom suspicions should be reported.

- If you receive a report of suspected fraud, corruption or bribery make a note of all relevant details, but do not attempt to investigate the matter further yourself.
- Report all reasonable suspicions promptly to one of the specified contacts. If in doubt report the suspicions.

30. Evidence will be gathered in accordance with the Police and Criminal Evidence Act and other legislation and the investigation will be managed to ensure that suspects are not prematurely alerted, or evidence destroyed.

Acting Upon Your Suspicions – the Do’s and Don’ts

31. Be responsive to staff member concerns. You need to encourage staff to voice any reasonably held suspicion as part of developing an effective anti-fraud culture. When a concern is raised you should acknowledge it and treat it seriously, confidentially and sensitively.
32. GNUK will take action to investigate ALL reasonable complaints. If GNUK is unable to do this then support of External Auditors or the Police may be considered. Staff Members may ask a friend to attend any meetings on the issue.
33. Do note details. Make a note of all relevant dates, times and events. Obtain as much information as possible from the staff member. A statement might be required as part of the evidence, but this will be dealt with during the course of the subsequent investigation. If the employee has made any notes or diary entries, take a copy of these also. In addition, note any documentary evidence which may exist to support the allegations made, but do not interfere with this evidence in any way.
34. Do evaluate the allegation objectively. Before you take the matter further, in accordance with the whistleblowing policy you need to decide whether the suspicions suggest this is fraud, bribery or corruption. Be objective and consider the facts as they appear, based on the information you have to hand, and any further information sought from the staff member.

35. Do advise the appropriate person. If you feel that a suspicion of irregularity is justified, you should notify one of the specified contacts and arrange to hand over the information gathered, and where anonymity is not an issue, the staff member's name and contact details. Someone will be assigned to investigate and inform the staff member of what will happen next (although it may not always be possible to inform them of the progress of the investigation and its outcome).

36. Do deal with the matter promptly if you feel the concerns are warranted. Any delay may cause GNUK to suffer further financial loss. Depending upon the findings of the internal investigation, the matter could be referred to the External Auditors or the Police for attention.

37. Don't ridicule suspicions raised by staff members. GNUK cannot operate an effective anti fraud policy if employees are reluctant to pass on their concerns to management. Employees may be reluctant to raise concerns for fear of ridicule or recrimination. You should ensure you listen to all staff members' concerns and reassure them that they will not suffer any recrimination as a result of raising any reasonably held suspicion.

38. You can refer them to the Whistleblowing policy for details of this. In particular, you should note that employees are protected from victimisation, dismissal and selection for redundancy under the Public Interest Disclosure Act 2013 when making certain disclosures of information in the public interest. Compensation may be payable if any such victimisation occurs. You may need to contact a solicitor whether a proposed disclosure would be protected under the Act.

39. Don't approach or accuse any individuals directly.

40. Don't convey your suspicions to anyone other than those with proper authority.

41. Don't try to investigate the matter yourself. Remember that poorly managed investigations are highly likely to jeopardise any successful criminal prosecution.

42. Don't disclose to any person being investigated the source of the information. GNUK is committed to protecting staff members who report suspicions from harassment or victimisation.

Approval of losses

43. All losses as the result of fraud must be recorded on the loss register and approved with the treasurer.

Specific risk mitigation measures

44. To manage the exposure to bribery and corruption, all gifts and hospitality received by staff and given to Public Officials must be approved by the Chief Officer and the Treasurer and recorded on the Gifts and Hospitality Register.
45. 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

46. The Director is responsible for creating and implementing GNUK's counter fraud strategy and for managing the counter fraud function.
47. The Director 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.
48. The Director is 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.

49. Managers receiving reports of fraud, bribery and corruption are responsible for reporting them to the Director, and agreeing with them how the case will be managed and who will be responsible for investigation.

50. All staff are responsible for complying with this policy.

51. Fraud, Bribery and Corruption will be included in the on-boarding plan for new staff.

Annex A

Summary of legislation Fraud

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 GNUK:

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 GNUK 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 GNUK in order to extract fees for a service which GNUK 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.
- GNUK will follow the Proceeds of Crime Act 2002 and will be followed to recover any assets gained during fraud, bribery, corruption incidents. [Proceeds of Crime Act guide](#)

Summary of legislation Bribery

The relevant legislation in the UK is [The Bribery Act 2010](#).

The Act makes it an offence to give or receive a bribe, i.e. 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 GNUK could be liable if someone offers a bribe on its behalf, including employees and third parties carrying out GNUK business, such as partners and suppliers. The Act applies to UK organisations operating overseas,

so GNUK 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 GNUK:

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).
- GNUK paying travel and accommodation costs to a third party where this is not standard business practice (eg not expenses for staff or exam invigilators).
- GNUK 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.
- Obtaining information that would put an individual or GNUK 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 GNUK 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.

1. 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 GNUK:

- 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.
- GNUK 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.

Annex B

GNUK Fraud Incident Report

1. 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.
2. 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.

3. 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.

4. Corruption is the misuse of entrusted power for personal gain. This would include dishonest or fraudulent behaviour 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.

5. 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.

Date _____

Employee
Name _____

Title/position _____

Incident

Date _____

Time _____

Location _____

Description of incident

Manager
Name _____

Title/position _____

Employee explanation

Witnesses

Action to be taken

Referred to Treasurer

Referred to the Police

Updated Risk Register

Disciplinary action

Other _____

Explain _____

By signing this document, you acknowledge that you have read and understood the information contained herein

Employee

Manager

Date

Date