

# Anti-Fraud, Bribery and Corruption



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<b>Approved by:</b>	Board of Trustees
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<b>Policy Owner:</b>	Director of Finance and Administration

## Definition of Terms

Staff	Refers to employees, contractors and volunteers.  Contractors includes associates and external consultants with and through whom we undertake consultancies, research and training.
Bribery	Bribery is defined as: the offering, promising, giving, accepting or soliciting of money, gifts or other advantage as an inducement to do something that is illegal or a breach of trust in the course of carrying out an organisation's activities.  This can apply retrospectively, e.g. where a payment is made as a reward for doing something illegal or in breach of trust.  The definition of bribes includes facilitation payments.
Fraud	Fraud is knowingly making an untrue or misleading representation, failing to disclose information, or abuse of position, with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another.
Corruption	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

## 1 Summary

This policy is part of INTRAC's code of conduct. This code of conduct is based on the principles laid out in our code of ethics.

Fraud, bribery and corruption are a threat to all of the principles in our code of ethics.

Fraud, bribery and corruption:

- Are contrary to the interests of our beneficiaries, diverting resources and undermining good governance.
- They violate our integrity and openness,
- They can aggravate conflict and insecurity, undermining the right to be safe
- They cloud objectivity
- They are incompatible with professional behaviour

INTRAC has a zero tolerance for fraud, bribery and corruption. INTRAC is committed to conducting business fairly, openly and honestly and in accordance with the highest ethical and legal standards.

INTRAC requires all staff to immediately report any incidents or suspicions of fraud, bribery or corruption to an appropriate manager or Board member. INTRAC will not penalise anyone for raising a concern in good faith.

INTRAC will take all reports of fraud, bribery and corruption seriously, and investigate proportionately and appropriately.

This policy lays out the approach that we will use to prevent, detect, report and investigate fraud, bribery and corruption.

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.

INTRAC requires all those working with INTRAC, receiving INTRAC funds or representing INTRAC, including its suppliers, partners, contractors and agents, to act in accordance with this policy.

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## 2 The Regulatory Framework

### 2.1 Fraud

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.

### 2.2 Bribery

The UK Bribery Act 2010 makes it a criminal offence to provide or to receive bribes. This applies to INTRAC's activities anywhere in the world. It applies to the behaviour of Trustees, staff (including contractors and external consultants and volunteers).

The Act also makes it an offence not to prevent bribery, e.g. by not having appropriate procedures in place to prevent bribery. This means that we should make everyone we work with aware that we will not tolerate fraud, bribery and corruption, and that we need to make our standards and procedures clear to clients and other partners with whom we are working.

As a Charity, INTRAC's trustees are under an obligation to ensure that risks, including risks of fraud, bribery and corruption are monitored and controlled. Where an incident occurs that poses a significant risk to the organisation's reputation or assets, they are responsible for ensuring this is reported to the Charity Commission.

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## 3 INTRAC's Approach to combatting Fraud, bribery and corruption

### 3.1 Overview

INTRAC will put in place appropriate anti-fraud, bribery and anti-corruption measures including

- Leadership (see section 3.2 Roles and Responsibilities)
- Risk Assessment and Management
- Register of Gifts and Hospitality
- Reporting

- Training
- Internal controls

## **3.2 Roles and Responsibilities**

### **3.2.1 Trustees**

Trustees are responsible for approving and reviewing this policy.

Trustees, along with the senior management team, set the tone at the top which drives organisational culture. As such they must be aware of and ensure that their behaviour is consistent with this policy.

Trustees will review risks and risk mitigation on a regular basis as part of their general responsibilities for risk management.

Trustees are responsible for ensuring that relevant matters are reported to statutory and regulatory authorities, though they may delegate the administration of reporting to an appropriate member of the management team.

### **3.2.2 Management**

Management, particularly senior management, will lead by example.

They will strive to create an atmosphere in which all staff feel able to discuss and report issues relating to and instances of fraud, bribery and corruption.

They will ensure that processes are in place to counter fraud, bribery and corruption, including review of due diligence checks and refresher training of staff.

They will ensure that issues are appropriately acted upon. This could include proposing changes to existing processes, providing advice, seeking appropriate advice (either internally or through the use of external advisers), the use of formal disciplinary processes, escalating issues to trustees and acting on behalf of trustees to ensure appropriate reporting and follow up with statutory and regulatory authorities.

### **3.2.3 Staff**

Fraud, bribery and corrupt behaviour by staff will not be tolerated and will result in disciplinary action, which could include summary dismissal. They will be aware that activities will be reported to the relevant authorities and could result in criminal proceedings.

Staff will perform due diligence checks where appropriate, e.g. in relation to new clients, partners or external consultants.

Staff should report and discuss issues relating to or instances of fraud, bribery and corruption promptly with their line-management, or with an appropriate senior manager where the issue involves their line-management directly. Staff may be asked to provide a written account of incidents.

### **3.2.4 Clients and other partners**

INTRAC will ensure that clients and those we work with are aware that INTRAC has a zero tolerance of fraud, bribery and corruption. In many instances this will be done through contractual arrangements, e.g. standard terms in contracts.

They should be aware that instances of fraud, bribery and corruption will result in INTRAC withdrawing from partnerships.

## **3.3 Risk Assessment and Management**

INTRAC works in many countries around the world. The risk of fraud, bribery and corruption will vary from country to country. They may also vary from client to client, depending on their specific geographical, sectoral and cultural contexts. In general, the work we undertake does not involve working through partners or large scale procurement and recruitment, though these are potential risk areas that may need to be considered for specific programmes.

The detail of and need for formal written risk assessment will, therefore, vary from job to job. Risks will be discussed informally e.g. at a consultancies meeting when deciding whether to pursue a particular piece of

work. Where risks are considered high, e.g. on large multi-year funding from new clients there will be a formal documentation of risks and mitigating measures, which will be signed off by the SMT.

Measures to minimise risk include:

- Due diligence checks including
- References in relation to staff
- Specific checks as laid down in our [due diligence procedures](#) in relation to clients, partners and suppliers
- Senior sign off of due diligence checks (member of SMT, and Trustees where the risk is significant, e.g. because of size of funding or country of client/partner)
- Inclusion of standard terms highlighting INTRAC's zero tolerance of fraud, bribery and corruption in contracts with external consultants, clients and partners.

### **3.4 Gifts and hospitality**

INTRAC realises that the giving and receiving of gifts and hospitality as a reflection of friendship or appreciation where nothing is expected in return may occur, or even be commonplace. This does not constitute bribery where it is proportionate and recorded properly. What counts as proportionate may vary from culture to culture. The implications of refusing a gift may also cause significant offence in some cultures. All gifts and hospitality with a value over £1 must be recorded in the Gifts and Hospitality register.

[S:\02 INTERNAL\Gifts and Hospitality Register\Gifts and Hospitality Register.xlsx](#)

This register will be periodically reviewed by SMT (at least annually).

Generally, INTRAC does not provide gifts or hospitality to third parties. There are some potential exceptions, e.g. in relation to specific marketing activities, such as pens and similar items with INTRAC's logo on them. Any personal hospitality or gifts over £5 provided/given to clients, funders or potential clients/funders should be pre-approved in writing by line-management/a member of SMT.

As the law is constantly changing, this policy is subject to review and INTRAC reserves the right to amend this policy without prior notice.

### **3.5 Reporting and Investigating**

#### **3.5.1 Step 1 - Report**

Staff should report and discuss issues relating to, or instances of fraud, bribery, and corruption promptly with their line-management. If concerns relate to their line-management then the matter should be reported to an appropriate senior manager and to the Chair/Treasurer of the Board of Trustees.

Other relevant stakeholders will also need to be informed as soon as possible including, the Charity Commission, the Police, the bank, clients, partners, donors/funders etc.

Issues relating to and instances of fraud, bribery and corruption include but are not be confined to:

- Observing offers/acceptance of bribes whilst working on assignment, being offered a bribe by a client, or a supplier
- Where the client has effective reporting protocols they should be followed. The incident should also be reported through INTRAC line-management at the earliest opportunity and the staff member should excuse themselves from the situation.
- Note: bribes do not include gifts and hospitality. However, gifts/hospitality that seems more lavish than local custom should be reported to and discussed with line-management at the earliest opportunity. Ideally you should decline the gift/hospitality if it seems excessive. All gifts and hospitality should be recorded as detailed in section Gifts and hospitality 3.4 above.
- Staff should be wary where they are specifically asked to provide gifts or hospitality, regardless of whether it conforms to local custom. If this happens whilst they are on assignment they should refer the matter to line-management at the earliest opportunity. If the client has effective reporting protocols they should be followed.

- Compliance with the request will be necessary if the request is made under duress, and failure to comply immediately would result in danger to the Staff or loss of life/limb/liberty.
  - Note: the security assessment undertaken before an assignment should mean that staff are not exposed to situations in which they will be asked to make a payment under duress.
- Staff, Trustees, or clients
- Keep INTRAC's cash for themselves,
- Misuse a corporate credit card or advance
- Claim false or inappropriate expenses
- Does not report the receipt of a wrong salary or allowance
- Abuses a position of trust and/or power to override financial controls.

Staff reporting an incident will be asked to provide a written account.

### 3.5.2 Step 2 - Investigate

All reported incidents will be investigated and appropriate disciplinary procedures will be taken, including prosecution

- Staff must treat unproven allegations as confidential.
- Instances of actual fraud or bribery involving staff will be dealt with as a serious incident, meaning gross misconduct in the case of an employee, or breach of contract in the case of an external contractor. Appropriate disciplinary procedures will be followed. Where investigation shows that the staff member has received or offered bribes details will be reported to the relevant authorities.
- Given the reputational risk associated with fraud and bribery, this is likely to involve reporting as a serious incident to the charity commissioner. Such reports should not disclose personal details of the parties involved.
- Issues relating to an increased risk will lead to a review of controls and may result in amendment of this policy where appropriate.
- Reports of fraud or bribery involving clients or partners will be referred to the SMT. Actions taken will depend on the facts of each individual case but could result in termination of contracts. Where appropriate relevant facts will be reported to the relevant authorities.
- INTRAC's whistleblowing policy should be followed where the matter cannot be dealt with through internal line-management.

## 3.6 Training

All trustees and staff will be given appropriate training, including appropriate refresher training. This will include

- Formal sign-off of this policy on appointment
- Formal sign-off of amendments to this policy, e.g. reflecting emerging risks
- As a specific agenda item in meetings, e.g. in staff away-days

## 3.7 Guidance on specific key/common risk areas

Transparency International have produced guidance for organisations working in international contexts on [RESIST \(resisting extortion and solicitation in international transactions\)](#). The guidance provides a range of scenarios and gives guidance on appropriate responses.

The scenarios cover:

- Contracting for work;
- Demands from officials before releasing visas, work-permits or equipment/goods etc;
- Inappropriate requests for hospitality;

### 3.8 Related Policies and Procedures

Related polices are

- a) [Code of Ethics](#)
- b) [Safeguarding](#)
- c) [Whistleblowing](#)
- d) [Data Protection](#)
- e) [Conflict of Interest](#)
- f) [Due Diligence Checks](#)
- g) [Procurement](#)
- h) [Safety and security](#)
- i) [Health and Safety handbook](#) and [policy manual](#)
- j) [Employee handbook](#) – code of conduct

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## 4 Appendix 1: Useful resources

### 4.1 Bond

<https://www.bond.org.uk/resources/anti-bribery-guidelines>

### 4.2 Transparency International

<https://www.transparency.org.uk/our-work/business-integrity/bribery-act/guidance-for-ngos/>

[https://www.transparency.org/whatwedo/publication/resist\\_resisting\\_extortion\\_and\\_solicitation\\_in\\_international\\_transactions](https://www.transparency.org/whatwedo/publication/resist_resisting_extortion_and_solicitation_in_international_transactions)

### 4.3 UK statutory and regulatory requirements

#### 4.3.1 Bribery Act

<https://webarchive.nationalarchives.gov.uk/+http://www.justice.gov.uk/publications/bribery-bill.htm>

<https://www.gov.uk/government/publications/bribery-act-2010-guidance>

#### 4.3.2 Reporting

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/752474/guidance\\_on\\_criminal\\_reporting\\_inc\\_overseas.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752474/guidance_on_criminal_reporting_inc_overseas.pdf)

<https://www.gov.uk/guidance/how-to-report-a-serious-incident-in-your-charity>

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## 5 Appendix 2: Guide for investigations

A plan should be developed to guide the investigation and interviews with witnesses or suspects. This plan should outline the key areas to cover and ensure that key areas of questioning are not missed. The most important skill in interviewing is listening to the interviewee.

- Investigations/interviews should be conducted by a minimum of two people; they should never be done alone. Teamwork is important, who will be the lead and who will be the second interviewer/note-taker. The second interview should also support the lead by ensuring that no questions are missed.
- Interviews should be conducted in a location where confidentiality can be maintained and where the individual being interviewed feels comfortable.
- Interviews are for fact-finding– they are not interrogations to accuse the interviewees of any misconduct, nor are they disciplinary hearings.
- A written record of the interview should be made.
- The interviewee is entitled to bring a friend or staff representative with them and should be given adequate notice of the interview time.

### A commonly used model for interviews is the PEACE model:

- Planning and Preparation. Making sure you have the right documentation and clear roles of the interview team.
- Engage and Explain. Build rapport with the interviewee and address any concerns they may have.
- Account, Clarification and Challenge. The main part of the interview. Ask the interviewee to say what happened using open questions to encourage them to talk freely. Follow up with more precise questions to clarify what they have said and to challenge any inconsistencies or inaccuracies.
- Closure. Explain what will happen next and invite them to read, agree and sign the interview notes or statement.
- Evaluation. Evaluate the information gained during the interview, and identify the information you did not obtain as well as any outstanding points.

### Conducting the interview

- Introduction
  - Introduced yourself, any colleagues and ask the interviewee to introduce themselves.
  - Explain how the interview will be conducted (including note-taking, length of time required etc).
  - Inform the individual that they can ask for a break if they need one at any time.
  - Ask everyone to turn off phones to avoid any disruptions.
  - Remind everyone of the importance of keeping the interview confidential.
  - Ask the individual to briefly explain their background and their work. This is to build rapport with the interviewee and put them at ease. It is important to use open questions at this stage to encourage the interviewee to talk freely.
- What happened? Key facts and allegations
  - The purpose of this section is to find out more detail of the specific area where fraud/bribery has occurred and to challenge any conflicting information.
- Details and specific information
  - After encouraging the interviewee to talk freely start to ask detailed questions about the specific area of concern. If relevant and appropriate provide the individual with copies of documentation for their comment. Some suggested questions could be:
    - Do you remember the transaction of XX date?
    - Why did you sign this document?

- You said that you were responsible for X, but you did not do this, can you explain why?
- Closing the interview
  - Once you have covered all the necessary areas of the interview you should draw the interview to a close. Explain to the interviewee what will happen next and ask if they have any questions. Ask them to agree, sign and date the interview notes if required and remind them of the requirement to keep the interview and its contents confidential.

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## 6 History and Revisions

Date	Changes	Reviewer and Post
November 2018	First Draft	K Saxl (Director of Finance and Administration)
November 2019	Review and revision to include link to include link to TI scenarios on bribery in relation to international transactions prior to including on the web	
October 2020	Expanded policy to cover fraud	J Emerson (Chief Executive)