

## Fraud, Corruption & Bribery Policy

### Policy Statement

The Trust is committed to the prevention of fraud, corruption, bribery and any other forms of dishonesty and will promote an anti-fraud, anti-corruption and anti-bribe culture.

The Trust operates a zero-tolerance attitude to fraud, corruption and bribery and requires those who act on behalf of the Trust to act honestly and with integrity at all times, and to report all suspicious activities. The Trust will investigate all suspicious activities committed by staff, charities, consultants, suppliers, the ELM and other third parties.

It is the Trust's policy to conduct its business in an honest and ethical manner and expects the ELM to have processes and policies in place to achieve a zero-tolerance approach to fraud, bribery and corruption. The Trust and its staff are committed to acting professionally, fairly and with integrity in all business dealings and relationships.

**Policy Headline: The Trust operates a zero tolerance approach to fraud, bribery and corruption.**

### Policy Context

#### What is fraud and corruption?

The Fraud Act 2006 introduces a statutory single offence of fraud which can be committed in three different ways:

- false representation
- failure to disclose information when there is a legal duty to do so
- abuse of position.

For practical purposes fraud can be defined as dishonest conduct with the intention to make gain, cause a loss, or cause the risk of a loss to another.

Existing offences such as theft, corruption, false accounting, forgery, counterfeiting and blackmail continue to be offences under previous relevant legislation.

'Corruption' is defined as the offering, giving, soliciting, or acceptance of an inducement or reward which may influence any person to act inappropriately.

Trustees and the administration team should be aware that they may be exposed to corrupt activity in a variety of ways, for example the offer of bribes, coercion, blackmail and false accounting.

The Bribery Act 2010 creates four principal offences:

- paying bribes
- receiving bribes
- bribery of a foreign public official
- failure by a commercial organisation to prevent a bribe being paid to obtain or retain business or a business advantage.

In addition, facilitation of payments whereby small bribes paid to speed up a service are sometimes called facilitation payments. Some charities work in areas where such payments are the norm in the local culture, often where charitable need is extreme. Notwithstanding the small amounts usually involved, they are still bribery payments. Therefore an unacceptable use of charity funds.

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The Trust will uphold all laws relevant to countering fraud, corruption and bribery in all the jurisdictions in which we operate. However, we remain bound by the laws of the UK, including the Bribery Act 2010, in respect of conduct at home and abroad.

Fraud, bribery and corruption are punishable for individuals by imprisonment and/or fines. If the Trust is found to have taken part in corruption, the penalties are high. We therefore take our legal responsibilities very seriously.

## Responsibilities

In relation to the prevention of fraud, theft and abuse of position, specific responsibilities are as follows:

### The Trustees

Are responsible for establishing and maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives. Trustees regularly review the risk register and the policies and procedures in place to respond to those risks.

### Executive Manager (Under PPLs SLA)

The Executive Manager's responsibilities include:

- Undertaking a regular review of the fraud risks associated with operation of the Society Lotteries and the Trust's key organisational objectives.
- Establishing appropriate mechanisms for:
  - Reporting fraud risk issues and significant incidents to the Board of Trustees.
  - Liaising with the Trust's appointed auditors.
  - Ensuring that Trustees and those who act on behalf of the Trust are aware of this Policy and what their associated responsibilities are.
  - Ensuring that appropriate training is made available.
  - Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

## Reporting Suspicions

It can be the alertness of Trustees, the administration team and the general public to the possibility of fraud and corruption that leads to detection of financial irregularity. Where appropriate therefore, whilst having regard to the requirements of Data Protection legislation, the Trust will participate in an exchange of information with external agencies on fraud, corruption and bribery.

The Chair of the Board of Trustees must be notified immediately of all financial or accounting irregularities or suspected irregularities or of any circumstances which may suggest the possibility of irregularities including those affecting cash, stores, property, remuneration or allowances.

## Response Plan

The Chair for the Board of Trustees will:

- Facilitate a proper investigation by experienced staff, and ensure the consistent treatment of information regarding fraud and corruption.
- When so notified, the Chair will instigate an investigation by appointing a designated officer, auditor or other adviser.
- The designated officer, auditor or other advisor will:
  - Deal promptly with the matter.

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- Record evidence received.
- Ensure the security and confidentiality of evidence.
- Work closely with Executive Team of the Trust, ELM and other agencies, such as the Police and Courts, Gambling Commission and OSCR, to ensure that all issues are properly investigated and reported upon.
- Ensure maximum recoveries are made on behalf of the Trust and assist the senior managers to implement the Trust's disciplinary procedures where considered appropriate (referral to the Police will not prohibit or restrict action under the Disciplinary Procedure).
- In cases of suspected payroll irregularities where a fraud investigation may be possible, discussion will occur between the Chair and the CEO if it is thought a disciplinary investigation is more appropriate.
- Communicate to relevant people who act on behalf of the Trust, under a service level agreement that malicious accusations may be the subject of disciplinary action.

### **Review**

This policy will be reviewed every year by the Board.

**Last reviewed: March 2019**

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