



VALEWAYS

Anti-Fraud, Bribery and Corruption Policy and Procedures

Status	Date Approved	Approved by	Name	Signature	Review Date
Final	26 Apr 2023	Trustees	Greg Clark	<i>G W Clark</i>	30 May 2024
			Peter Weston	<i>P Weston</i>	

Introduction

Valeways 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.

Valeways is committed to conducting business fairly, openly and honestly and in accordance with the highest ethical and legal standards.

Purpose and Scope

The purpose of this policy is to set out Valeways stance on fraud, bribery and corruption and its approach to preventing, detecting, reporting and investigating fraud, bribery and corruption.

This policy is applicable to, and must be followed by, all Valeways staff, volunteers and Trustees. Failure to comply could result in disciplinary action, including dismissal.

Policy Statement

Valeways 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 Valeways 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.

Valeways is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum.

Valeways requires anyone acting on its behalf to act honestly and with integrity at all times and to safeguard the resources for which they are responsible.

Risk and Internal Control Systems

Valeways will seek to assess the nature and extent of its exposure to the risks of internal and external fraud, bribery and corruption. It will periodically review these risks, using information on actual or suspected instances of fraud, bribery and corruption to inform its review.

Valeways 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. In particular, but not restricted to:

- always securing Valeways bank account access and passwords;
- ensuring all Valeways bank account payments are requested and approved by two independent individuals, not involving the Treasurer;
- carrying out a monthly bank reconciliation; and
- the Treasurer producing regular management accounts for the Trustees comparing income and expenditure with budget and prior year.

Valeways will seek to equip its staff, volunteers and Trustees with the skills, knowledge and expertise to manage its fraud risk effectively. It will ensure those in positions of responsibility have access to, and knowledge of this policy.

Valeways will periodically review and evaluate the effectiveness of its systems, procedures and internal controls for managing the risk of fraud.

Reporting - Internal

Staff, volunteers and Trustees 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.

Reports should be made to a Trustee independent of any incident. If staff, volunteers or Trustees are not comfortable reporting their concerns to a Trustee, they should report any concerns to the Charities Commission.

Valeways will not penalise anyone for raising a concern in good faith, even if it turns out to be unfounded. Any member of staff, volunteer or Trustee who harasses or victimises someone for raising a concern in good faith will themselves be subject to disciplinary action.

Valeways 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

Valeways will fully meet its obligations to report fraud, bribery and corruption to third parties.

Investigation

Valeways will take all reports of actual or suspected fraud, bribery and corruption seriously, and Trustees independent of any incident will investigate proportionately and appropriately as set out in this policy.

Valeways 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, volunteers and Trustees this may include dismissal. The charity will also seek to recover any assets lost through fraud.

Specific Risk Mitigation Measures

To manage the exposure to bribery and corruption, all gifts and hospitality received by staff, volunteers and Trustees, and those given to Public Officials must be approved and recorded on the Gifts and Hospitality Register. Charity trustees should avoid accepting gifts and hospitality that might reasonably be thought to influence them in carrying out their role as charity trustee. Any gifts or hospitality received in any connection to Valeways should not exceed the value of £50 and should be declared to the Board.

Conflicts of interest are known to increase the risk of fraud. Therefore, all staff, volunteers and Trustees 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 a Trustee.

Responsibilities

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

All staff, volunteers and Trustees are responsible for complying with this policy.

Definitions

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.

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.

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.

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.

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.

Policy Review

The Trustees have a responsibility to review this policy every two years.

Copies of all other Valeways policies are available on request.

Adopted April 2023

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 Valeways:

Procurement fraud:

- Staff, volunteers, or Trustees 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, volunteers, Trustees 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, volunteers or Trustees 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:

- Staff, volunteers or Trustees issuing false receipts to customers in order to keep the funds paid for personal use.
- Staff, volunteers or Trustees or third parties altering vendor payment details to divert supplier payments to own bank account.
- Staff, volunteers or Trustees fraudulently altering accounting records.

Expenses fraud:

- Staff, volunteers or Trustees claiming expenses or allowances to which they are not entitled, including by falsifying receipts.
- Staff, volunteers, Trustees or contractors falsifying travel and subsistence or other expense claims.

Fraud involving impersonation:

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

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 Valeways could be liable if someone offers a bribe on its behalf, including employees and third parties carrying out Valeways business.

Examples of bribes relevant to Valeways:

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).
- Valeways paying travel and accommodation costs to a third party where this is not standard business practice (eg not expenses for staff or exam invigilators).
- Valeways staff, volunteers or Trustees 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 Valeways at an advantage, such as 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.
- 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 Valeways 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.

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 Valeways:

- Offering a Council official or 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.
- Valeways staff, volunteers or Trustees being offered free meals or accommodation (outside what would be modest and reasonable in the business context) in an effort to obtain favourable treatment.

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.