

Anti-fraud, bribery and corruption policy

1. INTRODUCTION

- 1.1. Age UK Lancashire 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.
- 1.2. Age UK Lancashire is committed to conducting business fairly, openly and honestly and in accordance with the highest ethical and legal standards.

2. PURPOSE

- 2.1. The purpose of this policy is to set out Age UK Lancashire's stance on fraud, bribery and corruption and its approach to preventing, detecting, reporting and investigating fraud, bribery and corruption.

3. SCOPE

- 3.1. This policy applies to Age UK Lancashire and Age UK Lancashire Trading Ltd.
- 3.2. This policy is applicable to, and must be followed by, all staff, volunteers and students including consultants and contractors. Failure to comply could result in disciplinary action, including dismissal.

4. POLICY STATEMENT

- 4.1. Age UK Lancashire has a 'zero tolerance' policy towards fraud, bribery and corruption. This means that Age UK Lancashire:
 - a) does not accept any level of fraud, bribery or corruption within the organisation or by any other individual or organisation receiving Age UK Lancashire funds or representing Age UK Lancashire; 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.

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

- 4.2. Age UK Lancashire requires all staff, volunteers and students to act honestly and with integrity at all times and to safeguard the resources for which they are responsible.
- 4.3. We will uphold all laws relevant to countering bribery and corruption 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 our conduct both at home and abroad.

5. RISK AND INTERNAL CONTROL SYSTEMS

- 5.1. Age UK Lancashire 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.
- 5.2. Age UK Lancashire 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.
- 5.3. Age UK Lancashire will seek to equip its staff, volunteers and students with the skills, knowledge and expertise to manage its fraud risk effectively. It will provide adequate training to make them aware of the risks of fraud, bribery and corruption, and of their responsibilities in preventing, detecting, and reporting it.
- 5.4. Age UK Lancashire will make all those receiving its funds or representing it, including its suppliers, grant recipients, partners, contractors and agents aware of this policy.
- 5.5. Age UK Lancashire 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.

6. REPORTING - INTERNAL

- 6.1. All staff, volunteers and students 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.
- 6.2. Reports should be made to an appropriate manager, director or trustee.
- 6.3. Age UK Lancashire also requires all those receiving its funds or representing it, including its suppliers, grant recipients, partners, contractors and agents, to report to any suspected or actual instances of fraud, bribery or corruption involving Age UK Lancashire assets or staff. Reports should be made to a Director or Trustee of Age UK Lancashire.
- 6.4. Age UK Lancashire 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 student who harasses or victimises someone for raising a concern in good faith will themselves be subject to disciplinary action.
- 6.5. Age UK Lancashire 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.

7. REPORTING – EXTERNAL

- 7.1. Age UK Lancashire will fully meet its obligations to report fraud, bribery and corruption to third parties.

8. INVESTIGATION

- 8.1. Age UK Lancashire will take all reports of actual or suspected fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in this policy.

8.2. Age UK Lancashire 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.

9. SPECIFIC RISK MITIGATION MEASURES

9.1. To manage the exposure to bribery and corruption, all gifts and hospitality received by staff must be managed in line with Age UK Lancashire Gifts, Donations, Wills and Bequests Policy.

9.2. 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.

10. RESPONSIBILITIES

10.1. The Executive Management Team are responsible for ensuring that their staff, volunteers and students 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.

10.2. Managers receiving reports of fraud, bribery and corruption are responsible for reporting them.

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

11. DEFINITIONS

11.1. 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.

11.2. 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.

11.3. 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.

11.4. 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.

11.5. 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.

11.6. **Above is a list of simplified definitions. Age UK Lancashire will apply the policy in accordance with the full definitions in the relevant legislation.**

11.7. The fraudulent misuse of property or equipment belonging to Age UK Lancashire which includes: Buildings; Equipment; Copyright; Using Research or documents belonging to the charity, or reproducing any information for own use is corrupt practice and may lead to legal redress.

12. THE PURPOSE OF THIS POLICY IS TO:

12.1. set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and

12.2. provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

12.3. It is an offence to offer, promise, give, request, or accept a bribe. Bribery and corruption are punishable for individuals by up to ten years' imprisonment and/or a fine and if we, as an employer, are found to have taken part in, or failed to prevent, corruption we could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.

12.4. In this policy, third party means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

12.5. Who is covered by the policy?

12.5.1. This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as workers in this policy).

12.6. What is bribery?

12.6.1. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

12.6.2. An advantage includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.

12.6.3. A person acts improperly where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

Examples:

Offering a bribe

You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.

Receiving a bribe

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process, such as clearing our goods through customs.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

13. GIFTS AND HOSPITALITY

13.1. This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties. You are prohibited from accepting a gift from or giving a gift to a third party unless authorised.

13.2. We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

13.3. Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable.

13.4. Reimbursing a third party's expenses, or accepting an offer to reimburse our expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.

13.5. What is not acceptable?

13.5.1. It is not acceptable for you (or someone on your behalf) to:

13.5.1.1. give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;

13.5.1.2. give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;

13.5.1.3. accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;

13.5.1.4. accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;

13.5.1.5. threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or

13.5.1.6. engage in any activity that might lead to a breach of this policy.

14. FACILITATION PAYMENTS AND KICKBACKS

14.1. We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official). They are not commonly paid in the UK, but are common in some other jurisdictions in which we operate. Kickbacks are typically payments made in return for a business favour or advantage.

14.2. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us, or that might suggest that such a payment will be made or accepted. If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your line manager.

15. DONATIONS

15.1. We do not make contributions to political parties [but these are never made in an attempt to influence any decision or gain a business advantage, and are always publicly disclosed].

15.2. We do not make charitable donations. No donation must be offered or made without the prior approval of a trustee or a director.

16. RECORD-KEEPING

16.1. We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

16.2. You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.

16.3. You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

16.4. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

17. WHAT RESPONSIBILITIES DO EMPLOYEES HAVE?

17.1. You must ensure that you read, understand and comply with this policy.

17.2. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.

17.3. You must notify your manager as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out below.

17.4. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers if they breach this policy.

18. HOW DO I RAISE A CONCERN?

18.1. You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your line manager. Concerns should be reported by following the procedure set out in our Whistleblowing Policy.

19. WHAT SHOULD I DO IF I AM A VICTIM OF BRIBERY OR CORRUPTION?

19.1. It is important that you tell your line manager as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

20. WHAT PROTECTION EXISTS FOR EMPLOYEES?

20.1. Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

20.2. We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the compliance manager immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

21. WHAT TRAINING AND COMMUNICATION WILL TAKE PLACE IN RELATION TO THIS POLICY?

21.1. Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary.

21.2. Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

22. WHAT ACTION WOULD BE TAKEN IN THE EVENT THIS POLICY IS BREACHED?

22.1. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

22.2. We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

23. POTENTIAL RISK SCENARIOS: “RED FLAGS”

23.1. The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

23.2. If you encounter any of these red flags while working for us, you must report them promptly to your manager:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; and
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party.

24. WHO IS RESPONSIBLE FOR THE POLICY?

- 24.1. The trustees have overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 24.2. The Chief Executive has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.
- 24.3. This policy does not form part of any employee's contract of employment and it may be amended at any time.

25. WHAT IS BRIBERY?

- 25.1. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. If you are unsure as to whether an action is a bribe, you should contact your line manager immediately.

ADOPTION OF THIS POLICY BY THE BOARD OF TRUSTEES

Vivien Mumford, Age UK Lancashire Chair

Signature:

Date: June 2018