

<b>Integrated Management System</b>	<b>F05</b>	
<b>Anti-fraud, Bribery and Corruption Policy</b>		
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## **ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY**

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## Policy Summary

WRAP has a 'zero tolerance' stance towards fraud, bribery and corruption. It will always seek to investigate and take appropriate action, including but not limited to, disciplinary and/or legal action against those found to have perpetrated fraud and other acts involving dishonesty.

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

WRAP will assess the risks of fraud, bribery and corruption, establish processes and controls to minimise these risks and it will regularly review the effectiveness of its control systems.

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

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

WRAP requires all those receiving company funds or representing the company, including its suppliers, grant recipients, partners, contractors, volunteers and agents, to act in accordance with this policy. This includes reporting to WRAP any suspected or actual instances of fraud, bribery or corruption involving the company's assets, its staff or Trustees.

## Introduction

WRAP complies with applicable legislation, including the Fraud Act 2006, the Bribery Act 2010 and with other regulatory requirements. Its Trustees are required under charity law to safeguard the assets of the Charity.

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

## Purpose

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

## Scope

This policy applies to WRAP's activities globally, including the separate legal entities owned and controlled by WRAP.

This policy is applicable to, and must be followed by, all staff and Trustees, consultants and contractors. Failure to comply could result in disciplinary and/or legal action, including dismissal.

WRAP requires all those receiving company funds or representing the company, including its suppliers, grant recipients, partners, contractors, trustees, and agents to act in accordance with this policy.

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## Policy Statement

WRAP has a 'zero tolerance' stance towards fraud, bribery and corruption. This means that the company:

- a) does not accept any level of fraud, bribery or corruption within the organisation or by any other individual or organisation receiving company funds or representing the company; 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.

WRAP is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum. Staff, Trustees and contractors are encouraged to raise any suspicion or concern, however small or immaterial this may seem.

WRAP requires all staff, contractors and its Trustees to act honestly and with integrity to safeguard the resources and reputation of the company at all times.

## Risk and Internal Control Systems

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

WRAP 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.

WRAP will make all those receiving company funds or representing the company, including its suppliers, grant recipients, partners, contractors, trustees and agents aware of this policy.

When appropriate, WRAP will work with relevant stakeholders, including comparable organisations, relevant regulators and government organisations to tackle fraud.

WRAP 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

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.

Reports should be made to the Finance Director (or the CEO if the concern relates to the FD). If staff are not comfortable reporting their concerns to these people, they should contact the Trustee Chair of WRAP's Audit and Risk Committee. In the event of a report being made to the FD, they will inform the CEO within 48 hours. The FD, together with the CEO, will decide on the

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appropriate course of action to be taken, including informing the Chair and Audit Committee Chair of material items.

WRAP also requires all those receiving company funds or representing the company, including its suppliers, grant recipients, partners, contractors, trustees and agents to report any suspected or actual instances of fraud, bribery or corruption involving, without limitation, the company's assets or staff or Trustees.

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

WRAP 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.

Reference should also be made to the WRAP Whistleblowing Policy which provides alternative guidance on confidential reporting, escalation, and impartial advice from Protect (<https://www.protect-advice.org.uk/>).

### **Reporting – External**

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

### **Investigation**

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

WRAP 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.

### **Specific Risk Mitigation Measures**

To manage the exposure to bribery and corruption, the staff and Trustees must comply with the company's Policy on Gifts and Hospitality. No payment (whether it be a facilitation payment or otherwise), gift or service, is to be made to or received from any Public Official without prior notification to (and the approval of) the FD and CEO.

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 the FD.

### **Responsibilities**

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

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## Definitions

**Fraud** is knowingly making an untrue or misleading representation or failing to disclose information 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 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.

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.

**Public Official** means any person in public office.

## Further Guidance – Charity Commission

[COMPLIANCE TOOLKIT: PROTECTING CHARITIES FROM HARM](#)

[Chapter 3: Fraud and financial crime](#)

## 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.

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### Examples of fraud relevant to WRAP:

#### 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 accounting records.

#### Expenses fraud:

- Staff claiming expenses or allowances to which they are not entitled, including by falsifying receipts.
- Staff using the company's bank and/or credit cards for personal expenses.
- Staff, without the consent of the CEO, using the company's assets, for their own personal use.
- Staff or contractors falsifying travel and subsistence or other expense claims.

#### Fraud involving impersonation:

- Staff or third parties impersonating WRAP in order to extract fees for a service which it 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.

## Further Guidance on Bribery

### Summary of legislation

The relevant legislation in the UK is [The Bribery Act 2010](#). This was introduced to update and enhance UK law, including foreign bribery. The Act introduced a new strict corporate liability offence for companies of failing to prevent bribery. This means that WRAP could be liable if an "associated person" offers a bribe on its behalf, including employees and third parties (such as partners and suppliers) carrying out the Charity's business. The Act applies to UK organisations operating overseas.

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The Act created four prime offences under which it is illegal 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;
- Bribe a foreign public official in order to obtain or retain a business; and
- A new offence of an organisation failing to prevent a bribe being paid by anyone associated with the organisation – employees, or anyone working on the organisation's behalf, such as a contractor or agent.

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.

#### **Examples (not exhaustive) of bribes relevant to WRAP:**

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 acceptable under WRAP's Policy on Gifts and Hospitality.
- WRAP paying travel and accommodation costs to a third party where this is not standard business practice (e.g. not expenses for staff, Trustees).
- 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.
- Obtaining information that would put an individual or WRAP 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.
- Hospitality that complies with WRAP's Policy on Gifts and Hospitality.

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 WRAP 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

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### **The consequences of breaching the UK Bribery Act 2010:**

- Unlimited fines for both the individual and WRAP
- Imprisonment for up to ten years
- Significant reputational damage to both the individual and WRAP.

### **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 the WRAP:**

- Making a payment to clear items through customs. These are not acceptable and must not be made.
- Offering a government minister exceptional hospitality (i.e. 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.
- WRAP 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 line manager and the FD. 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.