

## Anti-Fraud, Bribery and Corruption Policy

### Policy summary

UK-Med has a 'zero tolerance' policy towards fraud, bribery and corruption. It will always seek to take disciplinary and/or legal action against those found to have perpetrated fraud (para 8).

UK-Med is committed to developing an anti-fraud culture and keeping opportunities for fraud, bribery and corruption to the absolute minimum (para 9).

UK-Med will assess the risks of fraud, bribery and corruption, establish processes and controls to minimise these risks, and regularly review the effectiveness of its control systems (paras 11 and 16).

UK-Med requires all staff to immediately report any incidents or suspicions of fraud, bribery or corruption to an appropriate manager or another person named in the Reporting section. UK-Med will not penalise anyone for raising a concern in good faith (para 20).

UK-Med will take all reports of fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in the Fraud Response Plan (para 22).

UK-Med requires all those receiving UK-Med funds or representing UK-Med, including its suppliers, grant recipients, partners, contractors and agents, to act in accordance with this policy. This includes reporting to UK-Med any suspected or actual instances of fraud, bribery or corruption involving UK-Med assets or staff (paras 6, 7, and 19).

## **Introduction**

1. This document sets out the policy and procedures of UK-Med (“the charity”) against fraud, bribery, corruption and other forms of dishonesty, together with the steps that must be taken where any of these practices is suspected or discovered.

It applies to those working under the name and/or aegis of UK-Med or associated with it including (but without limitation) the Trustees, Director, Chief Executive Officer, Project Managers, Medical Leads, all managing personnel, staff, volunteers and all others (collectively called “Members”). Any such person or persons who commit(s) fraud, theft or any other dishonesty, or who become(s) aware of it and does not report it, will be subject to appropriate disciplinary action.

2. UK-Med 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.
3. UK-Med is committed to conducting business fairly, openly and honestly and in accordance with the highest ethical and legal standards.

## **Purpose**

4. The purpose of this policy is to set out UK-Med’s stance on fraud, bribery and corruption and its approach to preventing, detecting, reporting and investigating fraud, bribery and corruption.

## **Scope**

5. This policy applies to UK-Med worldwide.
6. 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.
7. UK-Med requires all those receiving UK-Med funds or representing UK-Med, including its suppliers, grant recipients, partners, contractors and agents, to act in accordance with this policy.

## **Policy**

### **Policy Statement**

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

9. UK-Med is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum.
10. UK-Med requires all staff to act honestly and with integrity at all times and to safeguard the resources for which they are responsible.

#### **Risk and internal control systems**

11. UK-Med 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.
12. UK-Med 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.
13. UK-Med will seek to equip its staff with the skills, knowledge and expertise to manage its fraud risk effectively. It will provide adequate training to make staff aware of the risks of fraud, bribery and corruption, and of their responsibilities in preventing, detecting, and reporting it.
14. UK-Med will make all those receiving UK-Med funds or representing UK-Med, including its suppliers, grant recipients, partners, contractors and agents aware of this policy.
15. UK-Med will work with relevant stakeholders, including comparable organisations, relevant regulators and government organisations to tackle fraud.
16. UK-Med 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**

17. 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.
18. Reports should be made to the CEO or the Head of Finance. If staff are not comfortable reporting their concerns to these people, they can contact the Chair of the Board or the Treasurer.
19. UK-Med also requires all those receiving UK-Med funds or representing UK-Med, including its suppliers, grant recipients, partners, contractors and agents, to report to any suspected or actual instances of fraud, bribery or corruption involving UK-Med assets or staff. Reports should be made to the CEO or the Head of Finance.
20. UK-Med will not penalise anyone for raising a concern in good faith, even if it turns out to be unfounded. Any member of staff who harasses or victimises someone for raising a concern in good faith will themselves be subject to disciplinary action.

21. UK-Med 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**

22. UK-Med will fully meet its obligations to report fraud, bribery and corruption to third parties. The Fraud Response Plan sets out: the parties that suspected or actual fraud, bribery or corruption must be reported to; the nature and timing of the disclosure required; and who is responsible for making the report. UK-Med will strictly follow the procedure set out in the contract to report suspected or actual fraud, bribery or corruption. Where a donor contract is in place UK-Med will follow our internal policy

### **Investigation**

23. Detection and Investigation - Whilst having regard to the requirements of Data Protection legislation, UK-Med actively participates in an exchange of information with external agencies on fraud and corruption. It is often the alertness of members and the general public to the possibility of fraud and corruption that leads to detection of financial irregularity.

The Chair 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.

Reporting of suspected irregularities is essential as it:

- Facilitates a proper investigation by experienced staff, and ensures 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
  - record evidence received
  - ensure the security and confidentiality of evidence
  - Work closely with senior managers of UK-Med and other agencies, such as the Police and Courts to ensure that all issues are properly investigated and reported upon.
  - Ensure maximum recoveries are made on behalf of the UK-Med, and assist the senior managers to implement UK-Med'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 of Trustees and the CEO if it is thought a disciplinary investigation is more appropriate
- Malicious accusations may be the subject of disciplinary action.

24. UK-Med will take all reports of actual or suspected fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in this policy and the Fraud Response Plan.
25. The Fraud Response Plan sets out responsibilities for investigating fraud, bribery and corruption, the procedures for investigating, action to be taken and external reporting. UK-Med's fraud response will include:
- Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud;
  - Each investigation will seek to minimise and recover losses;
  - Investigations will establish and secure evidence necessary for criminal or disciplinary action;
  - UK-Med will use investigations to review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud;
  - Appropriate personnel will be kept suitably informed throughout the investigation;
  - Each investigation will have appropriate staff assigned responsibilities for investigating the incident; and
  - The Director of Support Services will establish circumstances in which external specialists should be involved.
26. UK-Med 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.

#### **Approval of losses**

27. All losses as the result of fraud must be recorded on the loss register and approved by the board.

#### **Specific risk mitigation measures**

28. To manage the exposure to bribery and corruption, all gifts and hospitality received by staff and given to Public Officials must be approved in line with the delegated authorities and recorded on the Gifts and Hospitality Register.
29. 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.

#### **Responsibilities**

30. The **Treasurer** is the owner of UK-Med's counter fraud work and the counter fraud champion on the Executive Board.

31. The **CEO** is responsible for creating and implementing UK-Med's counter fraud strategy and for managing the counter fraud function.
32. The **Head of Finance** is responsible for recording all instances of actual or suspected fraud, bribery and corruption, ensuring that they are investigated proportionately and appropriately, and reported to external parties. They are also responsible for providing advice and training to staff on preventing, detecting and investigating fraud. This includes investigating cases where specialist input is required due to the complex nature of the case.
33. a) Trustees and Management Personnel:

The Trustees in conjunction with management personnel are responsible for establishing and maintaining a sound system of internal control that supports the achievement of UK Med's policies, aims and objectives.

The system of internal control is designed to respond to and manage the whole range of risks that UK-Med faces.

The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk is seen in the context of the management of this wider range of risks.

b) The Chief Executive Officer ("CEO"):

Overall responsibility for managing the risk of fraud has been delegated to the CEO. His/her responsibilities include:

- Undertaking a regular review of the fraud risks associated with each of the key organisational objectives.
- Establishing an effective anti-fraud response plan, in proportion to the level of fraud risk identified.
- The design of an effective control environment to prevent fraud.
- Establishing appropriate mechanisms for:
  - reporting fraud risk issues
  - reporting significant incidents of fraud or attempted fraud to the Trustees;
- Liaising with UK Med's appointed Auditors.
- Making sure that all members are aware of UK Med's Anti-Fraud Policy and know what their responsibilities are in relation to combating fraud;
- Ensuring that appropriate anti-fraud training is made available to members as required; and
- Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

c) All Management Personnel (including CEO)

All Management including the CEO are responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that control operates effectively;
- Preventing and detecting fraud as far as possible;
- Assessing the types of risk involved in the operations for which they are responsible;
- Reviewing the control systems for which they are responsible regularly;

- Ensuring that controls are being complied with and their systems continue to operate effectively; and
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place

d) Staff, Volunteers and all other Members of UK-Med

Every member of staff or volunteer or other Member is responsible for:

- Acting with propriety in the use of UK-Med's resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers;
- Conducting themselves in accordance with the seven 'Nolan' principles for public life. They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Alerting their manager when they believe the opportunity for fraud exists e.g. because of poor procedures or lack of effective oversight;
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events; and
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

## Definitions

34. **Fraud** is a deliberate intent to acquire money or goods dishonestly through the falsification of records or documents. The deliberate changing of financial statements or other records by either; a member of the public or a member of UK-Med as previously defined. The criminal act includes the attempt to deceive and attempt fraud which are therefore treated as seriously as accomplished fraud.
35. **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.
36. 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.
37. **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.
38. 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.
39. **Theft:** Dishonestly acquiring, using or disposing of physical or intellectual property belonging to UK-Med or to individual members of it.

## 1. 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 UK-Med

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 exam papers or exam results, or releasing details of exam papers in return for a bribe or in order to favour a relative.
- Staff fraudulently altering accounting records.

Expenses fraud:

- Staff claiming expenses or allowances to which they are not entitled, including by falsifying receipts.
- Staff using FairFX cards for personal expenses.
- Staff using UK-Med assets, such as mobile phones, for their own personal use.
- Staff or contractors falsifying travel and subsistence or other expense claims.



Fraud involving impersonation:

- 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](#).

The Act makes it an offence to give or receive a bribe, i.e. 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 UK-Med could be liable if someone offers a bribe on its behalf, including employees and third parties carrying out UK-Med business, such as partners and suppliers. The Act applies to UK organisations operating overseas, so UK-Med could be prosecuted if any of its staff worldwide offer or solicit a bribe; this is why the policy applies globally.

### Examples of bribes relevant to UK-Med:

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).
- UK-Med paying travel and accommodation costs to a third party where this is not standard business practice (e.g. not expenses for staff or partners).
- UK-Med staff 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 UK-Med 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, such as a visa
- 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. 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

## 2. 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 UK-Med:

- 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.
- UK-Med 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 manager and the Head of Finance. 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.