



## Fraud, Bribery and Corruption Policy

*This policy sets out our approach to preventing, detecting and managing the risk of fraud, bribery and corruption in our operations, both in the UK and internationally.*

<b>Policy owner</b>	Chief finance officer
<b>Policy lead</b>	Head of internal audit and counter fraud
<b>Audience</b>	All office holders, staff and volunteers
<b>Legislation and regulation</b>	Theft Act 1968 and 1978; Fraud Act 2006, Bribery Act 2010, Money Laundering Regulations 2007, Proceeds of Crime Act 2002, Terrorism Act 2000
<b>Formally endorsed by</b>	Board of Trustees
<b>Endorsement date</b>	February 2020
<b>Next review</b>	February 2022

### 1 Introduction

The British Red Cross refuses to ignore people in crisis. As a registered charity, we take our responsibility seriously to ensure our assets are safeguarded and properly used to meet our charitable objectives. Fraud diverts our resources and affects our ability to improve outcomes for the people we support.

### 2 Policy statement

We have a 'zero tolerance' policy towards fraud, bribery, corruption, financial abuse, money laundering and funding terrorism. We are committed to maintaining a culture where such acts are unacceptable. We expect all our people – office holders, staff, volunteers, consultants - as well as partner organisations, suppliers and contractors we work with, to act with the highest standards of integrity at all times.

**This policy applies to all British Red Cross operations in the UK and internationally.**

We will always investigate and seek to take disciplinary and / or legal action against those who commit, or assist anyone committing, fraud or any other improper activities in our operations.

**We are committed to:**

- an anti-fraud culture across the organisation;

- minimising opportunities for fraud, bribery, corruption, money laundering and funding terrorism;
- protecting the people we support from financial or other abuse perpetrated by those acting on behalf of our organisation;
- assessing our exposure to the risk of fraud, bribery and corruption and ensuring that we have effective systems, procedures and controls to enable prevention and detection of irregularities;
- carrying out risk assessment and due diligence checks on partner organisations, suppliers and contractors across all operations;
- ensuring our people are aware of and understand their obligations to report any actual or suspected incidents of fraud, bribery or corruption;
- taking all reported incidents seriously, and investigating them proportionately and appropriately;
- using learning from such investigations to strengthen systems and eradicate weaknesses; and
- meeting our obligations to inform relevant external authorities of incidents of fraud, bribery, corruption, money laundering and funding terrorism.

We will provide the necessary resources to implement this policy and will ensure it is communicated and well understood by our people.

## **Definitions**

In BRC when we say:

- 2.1 **Fraud** we mean a dishonest act intended to result in a gain or advantage for the individual, or cause BRC a loss. This may include, but is not limited to, theft of money or property including theft from the people we support, the misuse of funds, assets or other resources, fabrication of expense claims and false accounting perpetrated by those acting on behalf of our organisation.
- 2.2 **Bribery** we are talking about offering, giving, receiving or asking for an incentive to achieve a favourable behaviour or outcome. This includes, but is not limited to, receiving a payment from a supplier for awarding them a contract, offering or making a payment to an official to induce them to perform their duties more quickly or in favour of the individual or BRC. The *Bribery Act 2010* makes it an offence if an organisation fails to take reasonable steps to prevent bribery. Whilst bona fide

hospitality is acceptable, the *conflicts of interest* policy and procedure provides further detail on how declarations of gifts and hospitality must be made.

- 2.3 **Corruption** we mean the abuse of a position of trust to gain an undue advantage. This could include, but isn't limited to, favouritism in the appointment or reward of external consultants or members of staff, or disclosing private, confidential or proprietary information to outside parties without consent.
- 2.4 **Financial abuse** is the theft of money or belongings from a British Red Cross service user who may be considered an adult at risk. Financial abuse may also include offering an unofficial service for personal financial gain, for example privately agreeing to give care or assistance to a BRC service user in return for payment or material goods.
- 2.5 **Money laundering**, we are talking about how criminals make the money they have gained from a crime look legitimate. One area where a charity could be involved is by receiving donations in cash, which the charity is subsequently asked to repay by cheque. This would result in the donor receiving what is referred to as "laundered" money, as it is now from a reputable source. Gifts with unusual conditions, such as the requirement to pass money on to a third party should also be treated cautiously.

### 3 Responsibilities

- 3.1 The **Board of trustees** has overall responsibility for our approach to fraud, bribery and corruption.
- 3.2 The **executive leadership team** (ELT) is responsible for establishing and maintaining a sound system of internal control that is designed to identify and manage key risks, including those related to fraud, bribery and corruption.
- 3.3 All **directors and heads of service** are responsible to ELT for ensuring they are compliant with organisational systems of internal control and support ELT who maintain overall accountability.
- 3.4 **Internal audit** provides assurance on the management of risk and the effectiveness of the financial and non-financial control framework. They provide advice on processes and procedures for the prevention and detection of irregularities and will undertake investigations of allegations of potential fraud, bribery and corruption.
- 3.5 All **our people** are responsible for reporting suspected, actual or attempted irregularity as soon as possible to the head of internal audit and counter fraud. The **commitment**

**and dedication** of all office holders, staff and volunteers is fundamental to prevent, detect and manage fraud, bribery and corruption. Our people are also encouraged to suggest improvements to our systems, processes and culture to mitigate the risk of irregularities.

- 3.6 We will actively **communicate** this policy to our people, partner organisations, suppliers and contractors. We will provide appropriate **training** to support compliance with the policy and will monitor and report to ELT on training completion rates.
- 3.7 The head of internal audit and counter fraud maintains a **record** of all incidents, and provides an annual report to the finance and audit committee. Significant matters are immediately reported to the chair of the committee.
- 3.8 BRC will report significant incidents to the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator, other regulatory bodies, commissioners and funders as required. Please see the **Incident Reporting Policy** for additional details.

## 4 Reporting Issues

- 4.1 Anyone with any concerns or suspicions regarding irregularities should report them to **internal audit on 07506 065 285 / 07739 905 908** or through one of the following channels:
  - Safecall **0800 915 1571 (UK only)** or via e-mail **britishredcross@safecall.co.uk** or via the web **www.safecall.co.uk/report**
  - **fraud@redcross.org.uk**
  - **raisingaconcern@redcross.org.uk**
  - **Datix**

## 5 Further Reading

- 5.1 This policy is supported by the **Reporting suspicions of fraud bribery and corruption procedure** which sets out the steps for reporting suspicions of irregularity, both in the UK and internationally, to ensure that we take the most appropriate action in response.

## 6 Review and maintenance

- 6.1 This policy will be reviewed on a regular basis to ensure it remains fit for purpose. The next review is due February 2022.

## 7 Appendices

- 7.1 Appendix 1: related documents
- 7.2 Appendix 2: document provenance

## Appendix 1: related documents

Document title	Relationship to this policy
Code of Conduct; Conflicts of interest policy and procedure; Confidentiality policy; Disciplinary policy; Email, internet and intranet policy; Grievance policy and procedure; Raising a Concern policy and procedure;	Related policies
Reporting suspicions of fraud, bribery and corruption procedure	Reporting guidance for staff and volunteers
Information Security Policy; Information Governance Policy; Data Protection Policy; Safeguarding policy;	Related policy, which covers specific risk areas
Policy on the Protection of Integrity of National Societies and Organs of the International Federation; Movement Statement on Integrity; Fraud and Corruption Prevention and Control Policy; Staff Code of Conduct	IFRC related policies
Retail: Retail field managers reporting theft and fraud; and shop guidance reporting theft and fraud	Specific departmental guidance

## Appendix 2: document provenance

Endorsed	Category	Summarise changes made	Reason for changes	Consulted	Endorsed by
December 2008	New policy	New policy on 'Anti-fraud and corruption'.	New requirement	Finance Committee, Audit Panel, Senior Management Team and HR	Board of Trustees
June 2011	Update	Inclusion of Bribery Act requirements	Additional legislation.	Senior Management Team, Risk and Assurance, Legal, International	Board of Trustees
December 2016	Scheduled review	Strengthened policy following organisation-wide consultation process.	Scheduled review	Finance, Fundraising, Governance, Legal, International, People and Learning, Retail, UK Operations.	Board of Trustees
May 2018	Interim update	Add reference to BRC Code of Conduct; further language on requirement to report relevant incidents to funders; strengthen definitions; refer to related procedures supporting implementation.	Part of DFID improvement plan	Finance, Planning and Resources; and Governance teams	Chief Finance Officer

November 2019	Scheduled review	Policy revised to aid clarity. Organisation-wide consultation undertaken	Scheduled review	Senior Management Team, Risk and Assurance, Legal, International	
---------------	------------------	--	------------------	--	--