

## **Anti-fraud, Bribery and Corruption Policy**

The Blagrave Trust 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. The Trust 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.

The Trust requires all those receiving funding or representing the Trust, including its suppliers, grant recipients, partners, contractors, advisers, volunteers and agents, to act in accordance with this policy.

### **Introduction**

The Blagrave Trust 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.

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

### **Scope**

This policy applies to all of the Blagrave Trust's activities. This policy is applicable to, and must be followed by, all staff and Trustees, advisers, consultants and contractors. Failure to comply could result in disciplinary and/or legal action, including dismissal.

The Trust 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.

### **Reporting – Internal**

All staff, Trustees and advisers 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 Trust's Director (or the Chair of the Board if the concern relates to the Director). If staff are not comfortable reporting

their concerns to these people, they should contact the Treasurer of the Board of Trustees. In the event of a report being made to the Director, they will inform the Chair within 48 hours. The Director, together with the Chair, will decide on the appropriate course of action to be taken.

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

The Trust 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.

The Trust 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 Blaggrave Trust's Whistleblowing Policy which provides alternative guidance on confidential reporting, and escalation.

### **Reporting – External**

The Blaggrave Trust will fully meet its obligations to report fraud, bribery and corruption to third parties. If the Trust feels that there is sufficient evidence to suggest it has been the subject of a fraud or attempted fraud then it will report the fraud to the appropriate authorities such as the police or the Charity Commission.

### **Investigation**

The Blaggrave Trust will take all reports of actual or suspected fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in this policy. The Trust 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 as well as reasonable costs incurred in seeking recovery of such funds.

## **Specific Risk Mitigation Measures**

To manage the exposure to bribery and corruption, the staff and Trustees must not accept any payment (whether it be a facilitation payment or otherwise), gift or service, without prior notification of the Director.

Conflicts of interest are known to increase the risk of fraud. Therefore, all individuals associated with the Trust are expected to comply fully with the Trust's Conflict of Interest Policy.

Payments will not be released – whether for charitable grants or operational expenditure – without the recorded approval of at least two members of Trust staff for delegated grants and a minimum of 3 trustee signatures for grants over £20,000. Staff follow our financial procedures for the release of grants, and no grant over £10,000 can be released without a Trustee's involvement in the payment process as banking signatories.

Applicants for funding will submit to a due diligence process which includes a member of staff at the Blagrove Trust checking their financial management procedures and governance structures in line with the Trust's approved processes.

The Trust reserves the right to speak to other grant making trusts, other funders and other relevant parties in carrying out due diligence on grant applications before awarding a grant. The Trust also reserves the right to share relevant information in our possession with other funders subject to current data protection legislation.

The bank details for grant payments will be verified by at least one additional member of staff (either the Director or the Finance and Governance Officer) in addition to the member of staff proposing the grant. All new partners must provide a recent bank statement in the name of the grant holder. In the event of any uncertainty we will call a partner directly to speak to another member of staff to verify the details to be used. Our online banking system also checks the account details provided.

All grant recipients will be asked for a grant receipt detailing the grant received, the value and when it was received. These receipts will be stored on the Trust's Salesforce database.

## **Responsibilities**

All staff and Trustees are responsible for complying with this policy. The Director, working with the Finance and Governance Officer, is responsible for ensuring the policy reflects any changes in legislation, and that staff are aware of changes to the policy.

**Review of Policy**

This policy was last reviewed in September 2021. It will be reviewed annually.

## **Appendix 1**

### **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.

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.

## **Appendix 2**

### **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 The Blagrove Trust**

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 Director, using the Trust'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 The Blagrove Trust 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.

### **Appendix 3**

#### **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 the Blaggrave Trust 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 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.

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 Blaggrave Trust practice.

The consequences of breaching the UK Bribery Act 2010:

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