

Policy Document	Bribery and Anti-fraud Policy
Date Approved by SEWRT Board of Trustees	15th July 2024
Policy Review Date	June 2027
Version	1.0

South East Wales Rivers Trust

BRIBERY AND ANTI-FRAUD POLICY

Bribery Introduction

This policy is to inform Employees of the Bribery Act 2010 and SEWRT's guidelines in actively reinforcing its principles of openness and honesty in all its dealings, in keeping with its status as a UK charity.

What is 'bribery'? Simply, it is defined as giving someone a financial or other advantage to induce that person to perform his/her functions or activities improperly or to reward that person for already having done so. Offences under the Act cover giving a bribe or receiving one. It includes you or any of your immediate family.

Principles of the Bribery Act

The policy of SEWRT is actively to adopt the 6 guiding principles of the Act set out below and apply them to SEWRT's activities. In so doing, it is recognised that SEWRT, as a small environmental charity operating within the UK, is not likely to face many situations that will give rise to bribery. In addition, SEWRT has an embedded set of best practice procedures arising from conflicts of interest. The principles are:

- (1) Proportionality
- (2) Top Level Commitment
- (3) Risk Assessment
- (4) Due Diligence
- (5) Communication
- (6) Monitoring and Review

Proportionality

Bona fide hospitality and promotional expenditure that seeks to improve the image of SEWRT, better to present its services or establish cordial relations, is recognised as an established and important part of doing business. For example, the giving or receiving of a cup of tea or the giving or receiving of an afternoon's fishing locally is not intended to be criminalised. On the other hand, an inducement to make a large financial donation to SEWRT in return for a favourable and costly vested interest river improvement, or an all expenses paid fishing holiday would fall foul, unless there was some very good explanation to the contrary.

In a practical sense, a good underlying guide on proportionality is for the Employee to ask him/herself if he/she would be happy for the case in question to be published in a newspaper as an allegation of bribery. If the answer is 'No', the Employee should not do it.

Top Level Commitment

The central plank of a charity is to act for the public benefit. By definition, an act of bribery distorts that trust and the loss of reputation resulting from publication of wrongdoing is a major risk to the sustainability and even existence of SEWRT. It is therefore critical for all Employees to be aware of the ramifications and, if there is any doubt on the bona fide nature of their dealings, immediately to report it to the Chairman and/or Company Secretary.

Risk Assessment

The main areas of concern to SEWRT are considered to be:

(a) Hospitality

Any hospitality beyond normal courtesy refreshments must be reported to the Chairman or Company

Secretary as soon as practicable and authorised.

(b) Gifts or Discounts from Suppliers

Any promotional gifts or personal discounts received should be reported as above. In general, promotional gifts should be raffled for charity or shared amongst staff. However, discounts received by SEWRT in arms' length trading are specifically excluded.

(c) Favourable treatment of, or from, Contractors SEWRT is reliant on building good relationships with contractors for many of its activities. This is not intended to restrict those relationships, provided that all transactions are at arms' length, they represent good value

and are in the best interests of SEWRT. Employees should ensure compliance with SEWRT's procurement policy and any deviation or concern should be reported and authorised.

(d) Favourable treatment of, or from, Landowners/Land managers/Riparian Interests SEWRT is significantly dependent upon the goodwill of landowners etc. to promote its activities and this policy is clearly not intended to restrict delivering environmental improvements. Where any dealings fall outside of the normal project or other parameters for encouraging take up leading to the delivery of environmental improvements, for example, a higher grant level, they should be reported and authorised. Specifically, care should be taken where a so-called donation is given to SEWRT in return for favourable treatment. Receipt may be of good intent - but be misguided!

Due Diligence, Communication, Monitoring and review

Because the risk of bribery in respect of SEWRT is relatively low, it is not considered necessary for SEWRT to operate a specific Due Diligence process or a formal Communication/Training programme.

As a small environmental charity, it is believed that issues relating to potential pitfalls or acts of bribery can be adequately dealt with by:

(a) Continual review and discussion of specific issues of concern at Employee Meetings. As a small charity it is considered as much an issue of protecting Employees from unfounded allegations as protecting SEWRT from acts of bribery.

(b) Review bribery as part of the wider annual risk review undertaken by, or on behalf of, Trustees for SEWRT's Annual Report and Accounts.

Conclusion

To be clear, SEWRT operates a zero-tolerance policy in respect of acts of bribery.

Acts of bribery are acts of gross misconduct and will result in the loss of the Employee's job and legal action being taken against the Employee, which could lead to a custodial sentence.

The Act also covers Trustees. In case of conflict of interest, or potential conflict, it should always be dealt with by a Board Minute and be in accordance with charity law.

Anti-Fraud Introduction

The Trust complies with applicable legislation, including the Fraud Act 2006 and the Criminal Finances Act 2017, and other regulatory requirements and applicable guidance. Its trustees are required under charity law to safeguard the assets of the charity.

The Trust is committed to developing an anti-fraud culture and to conducting business fairly, openly and honestly and in accordance with the highest ethical and legal standards. We will continually strive to ensure that all our financial and administrative processes are carried out and reported honestly, accurately, transparently and accountably and that all decisions are taken objectively and free of personal interest. We will not condone any behaviour that falls short of these principles.

This policy is to inform Employees of the Trusts' stance on fraud and its approach to preventing, detecting, investigating and reporting such offences.

Scope

The Trust requires all trustees, staff, those receiving funds from it and/or representing it, including its suppliers, grant recipients, partners, contractors and agents, to act in accordance with this policy and maintain the highest levels of integrity. This includes reporting to the Trust any suspected or actual instances of fraud involving Trust assets or staff.

Risk and Internal Control Systems

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

The Trust will seek to put in place efficient and effective systems, procedures and internal controls to: encourage an anti-fraud culture; prevent and detect fraud; and reduce the risks to an acceptable level.

We will regularly review and evaluate the effectiveness of our systems, procedures and internal controls for managing the risk of fraud.

The Trust 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, and of their responsibilities in preventing, detecting, and reporting it.

Conflicts of interest are known to increase the risk of fraud therefore all staff who have an interest in an actual or potential supplier, grant recipient, partner, contractor or agent

(whether personally, or through family members, close friends or associates) must report that conflict of interest to the Chairman or Company Secretary.

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

Where required and whenever possible the Trust will work with relevant stakeholders, including other NGO's, relevant regulators and government organisations to tackle fraud.

Reporting Actual or Suspected Fraud

All staff, including volunteers, have a responsibility for putting the principles of this policy into practice and for reporting any breaches they discover.

The Trust has a 'zero tolerance' policy towards fraud and will always seek to take disciplinary and/or legal action against those found to have perpetrated or assisted with fraudulent or other improper activities, and those who become aware of it and do not report it. For staff, this will include disciplinary action and may include dismissal. In addition to taking disciplinary and/or legal action we will also seek to recover any assets lost through fraud.

The Trust requires all staff to immediately report any incidents or suspicions of fraud to their line manager and the Chairman or Company Secretary. The Trust will never 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.

The Trust will maintain a system for recording: all reports of actual or suspected fraud; 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.

The Trust will fully meet its obligations to report fraud to third parties, including the Charity Commission, Action Fraud, the Police and any other organisation and/or regulator deemed necessary e.g. professional bodies. The Company Secretary is responsible for making these reports.

Investigation

The Trust will take all reports of fraud seriously and will investigate proportionately and appropriately to obtain sufficient evidence to make an informed judgement on the existence of fraud.

Responsibilities

The Trust requires all staff to act honestly and with integrity at all times and to safeguard the resources for which they are responsible.

In relation to the prevention of fraud, specific responsibilities are as follows:

a) Trustees:

The Trustees are ultimately responsible for establishing and maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives.

The system of internal control is designed to respond to and manage the whole range of risks which the Charity faces.

Overall responsibility for managing internal controls and the risk of fraud has been delegated to the Company Secretary.

b) The Company Secretary:

The day to day responsibility for internal controls and the prevention of fraud has been delegated to the Company Secretary.

Company Secretary responsibilities include:

- Undertaking a regular review of the fraud risks facing the Trust;
- The design of an effective control environment to prevent fraud;
- Establishing appropriate mechanisms for:
 - recording all instances of actual or suspected fraud and ensuring that they are investigated proportionately and appropriately, and reported to external parties;
 - reporting fraud risk issues;
 - reporting significant incidents of fraud or attempted fraud to the Management Board;
- Liaising with the Trust's appointed Auditors.
- Making sure that all staff are aware of the Trust'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 Trustees, staff and volunteers as required; and
- Ensuring that appropriate action is taken, including implementing new controls, to minimise the risk of previous frauds occurring in future.

c) Management Team THIS SECTION WILL ONLY BECOME RELEVANT WHEN WE ESTABLISH A MANAGEMENT TEAM

The Management Team is responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate 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;
- Implementing new controls to reduce the risk of previous frauds occurring in future.

d) Staff, Volunteers and Interns

Every member of staff is responsible for:

- Acting with propriety in the use of Charity's resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers;
- Conducting themselves with 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.

Approved by the Board and signed by the Chairman on 9th December 2020

APPENDIX 1

Applicable 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 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 supplier 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 or contractors falsifying travel and subsistence or other expense claims.

Fraud involving impersonation:

- Staff or third parties impersonating the Trust (acting as a representative of the Trust without authority) in order to extract fees for services that are not passed on to the Trust.
- Staff or third parties submitting false applications 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.

Policy Approved by SEWRT Board: 15th July 2024

Policy to be reviewed: June 2027