ANTI-FRAUD, BRIBERY & CORRUPTION POLICY

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Owner: Head of Finance Operations *

* Where this document refers to the Head of Finance Operations, in the occurrence of this role being vacant or the post holder being unavailable, the Associate Director of Finance will be the responsible individual.

Contents

1. Introduction 3
2. Policy Statement 3
3. Scope 3
4. What are Fraud, Bribery and Corruption? 4
5. Gifts, Entertainment & Hospitality 4
6. Facilitation payments and kickbacks 5
7. Your responsibilities 5
8. Preventing Fraud 5
9. Record keeping 6
10. Raising Concerns 6
11. Communication 6
12. Who is responsible for this policy 6
13. Monitoring and Review 7

Appendix 1 Potential Risk Scenarios (“red flags”) 8

Appendix 2 Recognising Fraud 9

Appendix 3 Fraud Response Plan 10

1. **Introduction**

1.1 Young Lives vs Cancer is committed to conducting business in an honest and ethical manner without corrupt practices or acts of bribery. It is committed to acting professionally, fairly and with integrity in all business dealings and relationships and implementing effective systems to counter fraud, corruption and bribery.

1.2 Young Lives vs Cancer is bound by UK laws including the Fraud Act 2006, and the Bribery Act 2010.

2. Policy Statement

2.1 Young Lives vs Cancer has a 'zero tolerance' policy towards fraud, bribery and corruption. We will always seek to take disciplinary and/or legal action against those found to have perpetrated fraud, bribery and corruption.

2.2 We are committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum. The Charity 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.

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

3. Scope

3.1 This policy applies to all the Charity's employees (whether permanent, fixed-term or temporary), Trustees, volunteers, casual workers, agency staff, consultants, contractors, interns, partners or any other person associated with the Charity.

4. What are Fraud, Bribery and Corruption?

4.1 **Fraud** is the 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 a member of the public, an employee or volunteer. The criminal act is the attempt to deceive and, therefore, attempted fraud is treated as seriously as accomplished fraud.

4.2 **Bribery** is the offering, giving, soliciting, or receiving of cash or any item of value, as a means of influencing the actions of an individual or the Charity.

4.3 **Corruption** is the misuse of entrusted power for private 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.

5. Gifts, Entertainment & Hospitality

5.1 This policy does not prohibit acceptable and appropriate hospitality (given or received) to or from third parties. The circumstances in which the Charity would reimburse the cost of external hospitality is detailed in the Expenses Policy.

5.2 It is acceptable for you (or someone on your behalf) to make / receive gifts if the following requirements are met:

- it is not given with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it complies with local law;
- it is given in the Charity's name, not in a worker's name;
- it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- it is appropriate in the circumstances; for example, a small gift at Christmas time;
- taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time; and
- it is given openly, not secretly.

5.3 It is not acceptable for you (or someone on your behalf) to:

- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- accept payment from a third party that the worker knows or suspects is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if the worker knows or suspects that it is offered or provided with an expectation that a business advantage will be provided by the Charity in return;

- threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any activity that might lead to a breach of this policy.

6. Facilitation payments and kickbacks

6.1 The Charity does not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small value payments to government officials in order to speed up or facilitate a routine action or process.

6.2 If any worker is asked to make a payment on the Charity's behalf, they should raise the matter with their line manager or the Head of Finance Operations who will advise the appropriate course of action.

7. Your Responsibilities

7.1 You must ensure that you read, understand and comply with this policy. You should also ensure you read and comply with the requirements of the Scheme of Delegation and Procurement Policy.

7.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working on our behalf. All such parties are required to avoid any activity that might lead to, or suggest, a breach of this policy.

7.3 You must report any suspicion that a conflict with this policy has occurred, or may occur in the future as soon as possible in accordance with the procedures detailed in section 10 below.

7.4 Appendix 1 provides a list of the "red flags" you should be aware of that may indicate bribery or corruption.

7.5 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

7.6 Where the Charity suffers a loss, it will seek redress from those who have caused the loss.

8. Preventing Fraud

8.1 The exposure to the risks of fraud, bribery and corruption will be assessed regularly as part of the Charity's ongoing risk assessment procedures.

8.2 The Charity 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 to reduce the risks to an acceptable level.

8.3 Appropriate training, which will be mandatory, will be provided to personnel to ensure awareness of the risks of fraud, bribery and corruption and of their responsibilities in preventing, detecting and reporting it.

8.4 The effectiveness of systems, procedures and internal controls for managing the risk of fraud will be subject to regular review.

9. Record keeping

9.1 The Charity is required to maintain accurate financial records and have appropriate internal controls in place with which to evidence financial transactions, including payments to third parties.

9.2 Employees are required to maintain a record of any hospitality or gifts accepted or offered and must ensure any expense claims relating to hospitality or gifts to third parties are submitted in according with the Expenses Policy.

10. Raising Concerns

10.1 All those covered by this policy are required to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. Concerns should be raised with your line manager, who will escalate to the Head of Finance Operations, or directly with the Head of Finance Operations.

10.2 If you are not able to raise your concern with your line manager or the Head of Finance Operations, your concern can be taken confidentially to the Director of Corporate Services.

10.3 Concerns can also be raised through our Staff Whistleblowing Policy or Volunteer Whistleblowing Policy.

11. Communication

11.1 This policy will be communicated to all existing employees, volunteers and Trustees and to new employees, volunteers and Trustees on starting with the organisation. It will be mandatory for all parties to confirm they have read and understood the policy.

11.2 The policy will be available at all times on the intranet and available on request from the Head of Finance Operations.

11.3 The Charity's zero-tolerance approach to bribery must be communicated to our suppliers, consultants and partners at the outset of our relationship with them and as appropriate thereafter.

12. Who is accountable and responsible for this policy?

12.1 The Trustees have overall accountability for ensuring this policy complies with our legal and ethical obligations, and that those under the Charity's control comply with it.

12.2 The Director of Corporate Services has primary day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy.

13. Monitoring and Review

13.1 The Charity will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. The Audit Committee will periodically review the effectiveness of the policy with improvements identified implemented as soon as possible.

13.2 Internal controls will be subject to regular audits to provide assurance that they are effective in countering fraud, corruption and bribery.

APPENDIX 1

Potential Risk Scenarios (“red flags”)

The following is a list of “red flags” that may arise during the course of working for Young Lives vs Cancer and which may raise concerns under various anti-bribery laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them in accordance with section 10 above:

- you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- a third party requests an unexpected additional fee or commission to "facilitate" a service;
- a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- a third party requests that a payment is made to "overlook" potential legal violations;
- a third party requests that you provide employment or some other advantage to a friend or relative;
- you receive an invoice from a third party that appears to be non-standard or customised;
- an employee appears to be “overly” friendly with a supplier or suppliers submit very similar quotes, may indicate collusion;
- a third party insists on the use of side letters or refuses to put terms agreed in writing;
- you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- you are offered an unusually generous gift or offered lavish hospitality by a third party.
- an employee abuses a position of trust and/or power within the organisation to override financial controls.

APPENDIX 2

Recognising Fraud

It is important everyone is able to recognise what fraud is and when a fraud has or may have occurred. The following is a list of examples of how fraud may arise. The list is not intended to be exhaustive and is for illustrative purposes only.

a) External fraud

External, or third party, fraud is the most common type of fraud with examples including:

- Grant recipients falsifying records to support false claims or not spending the funds for the intended purpose.
- Theft of collection tins.
- A fraudster hijacks our bank account or creates a fake but very similar website with a donation link.
- A supplier or contractor under delivers or over charges for goods or services.
- An individual purporting to be a supplier and sends a falsified invoice for payment.
- A fraudster attempts, often by use of an e-mail very similar to a supplier's e-mail, to change the bank account details for genuine suppliers to divert payment into a different account.
- Organising events – such as quiz nights, cake sales, raffles – and raising money in the name of Young Lives vs Cancer, but failing to remit all or some of the money raised*.

b) Insider fraud

Examples of insider fraud, which can be more difficult to detect, include:

- Failing to bank cash or cheque donations meant for the Charity.
- Claiming false expenses, including falsifying receipts and claiming more than is due.
- Theft of charity assets, such as laptops.
- Altering supplier payment details to divert payments to own bank account.
- Falsely claiming, or inflating claims for, overtime.
- Not reporting the receipt of an incorrect salary or allowance.
- Falsifying accounting records.
- Awarding a contract, or preferential terms, to a supplier in return for payments, personal discounts, gifts, commission or other benefits.
- Colluding with suppliers to pay for goods or services that are not required and/or have not been delivered, or which are charged at an excessive rate.
- Falsifying invoices, receipts, or supplier identities in order to obtain payment for goods and services that have not been supplied.
- Falsifying employee records in order to obtain false payment.

* Separate guidance on fundraising fraud has been developed to support fundraisers and should be read in conjunction with this policy.

APPENDIX 3

Fraud Response Plan

Purpose

The purpose of this plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity. The use of the plan should enable the Charity to:

- Assign responsibility for investigating the incident.
- Prevent further loss.
- Recover losses.
- Establish and secure evidence necessary for criminal and disciplinary action.
- Deal with requests for references for employees disciplined or prosecuted for fraud.
- Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.
- Keep all personnel with a need to know suitably informed about the incident and the Charity's response.
- Establish circumstances in which external specialists should be involved.
- Ensuring appropriate action is taken with regard to those involved.
- Inform the police and other regulatory bodies as required.
- Establish lines of communication with the police.

Raising concerns

All actual or suspected incidents should be recorded and reported without delay to your Line Manager, who will escalate to the Head of Finance Operations.

Fundraising fraud concerns should be recorded on the Fundraising Fraud Concern Form and then escalated to your Line Manager and the I&E Supporter Engagement Manager.

When reporting a fraud concern, please include as much of the following as possible (it isn't compulsory to include all the information before raising a concern):

- Name and contact details for the person or organisation suspected of fraud.
- Details of the allegation.
- Amount of money involved.
- Source of the concern.
- Any evidence available.
- Names of those internally who are aware of the concern.

If you are not able to raise your concern with your Line Manager or the Head of Finance Operations, your concern can be taken confidentially to the Director of Corporate Services, who will conduct an investigation.

In most cases, you should be able to raise concerns through our internal channels. However, we recognise that in rare circumstances it may be appropriate to raise a matter of public interest with an external body such as a regulator. Further information can be found in our Staff Whistleblowing Policy and Volunteer Whistleblowing Policy.