



# Anti-Fraud, Bribery and Corruption Policy and Procedures

Last reviewed by Trustees: September 2018

## Values Statement

As a team we . . .

- are committed to true **partnership** working, believing it brings about the best results;
- treat all people, especially those affected by poverty, with the utmost **dignity**;
- believe that all **children deserve to be safe, happy and have fun**, and try to have fun ourselves;
- are **generous** and try to give other people the best of what we have to offer;
- are **passionate about Luton**, enjoy all its great attributes and see our work as contributing towards making it even better.
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## A. Introduction

1. Level Trust has a zero-tolerance for bribery, fraud and corruption. Level Trust's reputation both within the community it serves and with other stakeholders is underpinned by ethical behaviour, financial probity and honesty. Level Trust aims to limit its exposure to bribery, fraud and corruption by:
  - Setting out a clear anti-fraud, bribery and corruption policy, which is proportionate to the risks to which Level Trust is exposed;
  - Embedding awareness and understanding of Level Trust's policy amongst all staff, "associated persons" (any person performing services for or on behalf of Level Trust) and external persons/organisations with whom Level Trust has commercial relations.
2. Where fraud, bribery, corruption, irregularity or any other impropriety exist, this policy is intended to:
  - Promote their detection,
  - Identify a clear pathway for their investigation,
  - Ensure that they are reported to the Trustees, and
  - Ensure compliance with the Proceeds of Crime Act 2002 and the Bribery Act 2010.

## B. Scope and Purpose

3. This policy applies to all employees and anyone acting for, or on behalf of, Level Trust (“associated persons”), including Trustees, other volunteers, temporary workers, consultants and contractors. With reference to donations, we recommend that it is read alongside the Charity Commission’s [‘Know Your Donor’](#) guidance.

### 4. Definitions

#### a) *Bribery*

Bribery is covered within the Bribery Act 2010 and may be defined as offering or giving cash, a gift or other inducement in order to:

- Gain a commercial, contractual or regulatory advantage in a way which is unethical;
- Gain a personal advantage, pecuniary, or otherwise, for the individual or anyone connected with the individual.

#### b) *Corruption*

This can broadly be defined as the offering or acceptance of inducements, gifts, favours, payment or benefit-in-kind which may influence the action of any person. Corruption does not always result in a loss. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another. It is a common law offence of corruption to bribe the holder of a public office and it is similarly an offence for the office holder to accept a bribe.

#### c) *Fraud*

Fraud is a more generic term, which includes bribery and corruption, but also covers acts such as deception, forgery, extortion, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

#### d) *Propriety*

This is less prescriptively defined but includes matters such as fairness, integrity, the avoidance of private profit from public business, even-handedness in the appointment of staff, open competition in the letting of contracts and avoidance of waste and extravagance. There are no definitive guidelines for propriety and professional judgement is required.

#### e) *Regularity*

This is defined in HM Treasury’s “Managing Public Money” (MPM) as the requirement that “resource consumption should accord with the relevant legislation, the relevant delegated authority and this document”.

Within this Policy Statement, all references to fraud will be taken also to cover bribery and corruption.

5. All of Level Trust's business activities will be carried out in accordance with three fundamental principles:

- a) *Accountability*

All actions taken by Level Trust employees, Trustees and others acting on Level Trust's behalf must be able to withstand the tests of parliamentary scrutiny, public judgements on propriety and professional codes of conduct.

- b) *Probity*

Absolute honesty and integrity will be exercised in all dealings with Level Trust employees, Trustees, suppliers, members of the public and other third parties.

- c) *Openness*

Level Trust's activities will be open and transparent, to promote confidence between Level Trust and Level Trust employees, Trustees, members of the public and other third parties.

6. Gifts and Hospitality

This policy is not intended to prohibit appropriate corporate entertainment and/or hospitality undertaken in connection with Level Trust's business activities, provided the activity is customary under the circumstances, is proportionate, and is properly recorded/disclosed to Level Trust in accordance with the procedures set out in Level Trust's Gifts and Hospitality Procedures and Public Interest ("Whistleblowing") Policy.

7. Political and Charitable Contributions

Level Trust does not make any contributions to politicians, political parties or election campaigns.

As a responsible member of society, Level Trust may make charitable donations. However, these payments shall not be provided to any organisation upon the suggestion of any person of the public or private sector in order to induce that person to perform improperly the function or activities which he or she is expected to perform in good faith, impartially or in a position of trust or to reward that person for the improper performance of such function or activities.

Any donations and contributions must be ethical and transparent. The recipient's identity and planned use of the donation must be clear, and the reason and purpose for the donation must be justifiable and documented. All charitable donations will be publicly disclosed.

Donations to individuals and for-profit organisations and donations paid to private accounts are incompatible with Level Trust's ethical standards and are prohibited.

8. Sponsorship

Sponsorship means any contribution in money or in kind by Level Trust towards an event organised by a third party in return for the opportunity to raise Level Trust's profile. All sponsoring contributions must be transparent, pursuant to a written agreement, for legitimate business purposes, and proportionate to the consideration offered by the event host. They may not be made towards events organised by individuals or organisations that have goals incompatible with Level Trust's ethical standards or that would damage Level Trust's reputation. All sponsorships will be publicly disclosed.

Where commercial sponsorship is used to fund Level Trust events, the sponsorship must be transparent, pursuant to a written agreement, for legitimate business purposes, and proportionate to the occasion.

**C. Responsibilities of the Trustees and Employees of Level Trust**

9. Employees and associated persons are required to remain vigilant in preventing, detecting and reporting fraud, bribery, corruption and any other impropriety. Employees and associated persons are expected to report any concerns in accordance with Level Trust's Public Interest Disclosure Procedures.

10. Any breach of this policy by staff will constitute a serious disciplinary offence which may lead to dismissal and may become a criminal matter for the individual.

11. The Trustees and the Charity Director or designated deputy, have a responsibility to:

- a) develop and maintain effective controls to prevent fraud. These will include Financial Regulations, Public Interest Disclosure Procedures, a system of internal control (including audit) and a system of risk assessment and monitoring.
- b) carry out vigorous and prompt investigations if fraud may have occurred
- c) take appropriate disciplinary and/or legal action against perpetrators of fraud, including possible criminal prosecution.
- d) take disciplinary action against staff or their line managers where their failures have enabled fraud to occur.

12. The Office Manager has a responsibility to:

- a) identify the risks to which systems and procedures are exposed
- b) develop and maintain effective controls to prevent and detect fraud
- c) ensure that controls are complied with by all staff.

13. All members of staff and, where appropriate, volunteers, consultants and contractors have a responsibility to maintain the highest standards or business conduct and to act with propriety in the use and handling of Level Trust resources or any other public funds, e.g. when they are handling cash, payments or receipts, or any other aspect of Level Trust business.

#### **D. Specific Procedure Details**

14. Prevention of fraud  
Level Trust will implement the following procedures:
  - a) Ensure all employees are aware of their responsibilities under this Policy, the Financial Regulations, the Staff Code of Conduct, the Bribery Act 2010 and the Proceeds of Crime Act 2002.
  - b) Draw attention to the responsibility of staff under the Financial Regulations and to whistleblowing procedures during staff induction, and on-going training sessions.
  - c) Maintain a Register of Interests for senior staff and Trustees members.
  - d) Ensure all gifts, payments or other contributions to staff from suppliers, whether in cash or in kind, are recorded in accordance with Level Trust's Policy on Gifts and Hospitality, regularly reviewed and properly accounted for.
  - e) Ensure goods and services are procured ethically and transparently, with quality, price and value for money determining the successful supplier/contractor.
  - f) Select all intermediaries/agents with care, requiring them contractually to comply with this policy keeping proper books and records available for investigation by Level Trust, auditors, or other investigating authorities.
  - g) Encourage staff to discuss any perceived weaknesses in financial controls with the Office Manager.
  - h) Ensure Auditors have access to all financial and other relevant documentation and appropriate reporting rights to the highest levels of the Trustees.
  - i) Review Auditors' reports at appropriate meetings of the full Board of Trustees.
15. Notification of suspected fraud  
No individual will suffer any detrimental treatment as a result of reporting reasonably held suspicions. Within the context, reasonably held means

suspicions other than those which are raised maliciously and are subsequently found to be groundless. Any unfounded or malicious allegations will be subject to full investigation and appropriate disciplinary action. If a member of staff suspects fraud, then:

- a) He/she should immediately notify the Charity Director, unless the member of staff suspects that the Charity Director is already aware of, or may be a party, to that fraud, in which case the Secretary to the Trustees should be notified.
- b) The member of staff should not discuss the matter with any other party unless formally instructed to do so.

16. Investigation into suspected fraud or corruption

- a) The Charity Director will lead the investigation, but if the notification was made to the Secretary then a Trustee may be asked to do so. Where "Charity Director" is used in the following paragraphs, it also covers the Secretary to the Trustees.
- b) In conjunction with the Chair of Trustees, the Charity Director will decide the appropriate course of action, including any steps to be taken under the disciplinary procedure, for example, suspension pending investigation.
- c) All suspected cases of fraud will be treated as confidential and any external enquiry is to be referred to the Charity Director.

17. Preliminary Investigations

- a) The Charity Director will carry out a preliminary investigation into the allegation. This will involve other members of staff as appropriate. The Charity Director will report his/her conclusions to the Chair of Trustees.
- b) A preliminary report on the matter, the investigation carried out, its conclusion, and any action taken will be presented to the Chair of Trustees and to the member of staff who raised the allegation.
- c) If the preliminary investigation concludes that the allegation is groundless, then the matter will be considered closed and the member of staff who raised the allegation will be informed.
- d) If the preliminary investigation concludes that any possible irregularity is of minimal effect and has arisen by accident, the Charity Director will discuss the incident with the Office Manager in order to tighten procedures to avoid any recurrence.
- e) In any other case, the Charity Director and the Chair of Trustees will decide whether the seriousness of the possible act warrants:
  - a formal investigation by Level Trust

- a request to Level Trust's Auditors that they carry out an investigation
- the reporting of the allegation to the police.

f) The Charity Director (or Chair of Trustees) will notify some or all of the following of the allegations and Level Trust's course of action: Chair of the Trustees, Secretary to the Trustees, Level Trust Auditors and the Charity Commission, as appropriate.

#### 18. Formal Investigation

a) Any formal investigation will:

- be carried out promptly and quickly ensuring professional care is not compromised
- take account of Level Trust's Disciplinary Procedures
- take account of the need to safeguard the integrity of any evidence, the safety of assets and the rights of persons involved.

The investigation may involve other staff as appropriate.

b) If, during the course of the investigation, the investigator considers that the police should be informed of the allegation or that formal legal action should be considered against certain individual(s), then he/she will inform the Charity Director (or Chair of Trustees) immediately.

c) After completing the formal investigation, the investigator will produce a written report and send it to the Chair of Trustees, the Charity Director (if he/she is not the investigator) the Secretary to the Trustees and Level Trust's Auditors as appropriate. This report will state whether or not a fraud or other irregularity has taken place, and, if so, report on:

- its nature and extent
- its effect on Level Trust
- who was involved, if this is known
- any potential for recovery
- recommendations to improve systems of control
- recommendations concerning any possible disciplinary action against:
  - the perpetrator of the fraud
  - those whose failure may have allowed fraud to occur.

d) The report will be considered by the Chair of the Trustees who may ask the Secretary to the Trustees to call a special meeting of the Board for that purpose. The Chair will make a full report to the meeting of the Trustees.

e) The person who made the initial allegation will be notified in writing of the outcome of the formal investigation.

#### 19. Charity Commission

Level Trust is required to report any serious incidents to the Charity Commission, explaining how Level Trust is dealing with the matter, even if it has been reported to the

police, donors or another regulator. A serious incident is an adverse event, whether actual or alleged, which results in or risks significant loss of the charity's money or assets; damage to the charity's property; harm to the charity's work, beneficiaries or reputation. The most common type of incidents are frauds, thefts, significant financial losses, criminal breaches, terrorism or extremism allegations, and safeguarding issues.