

FRAUD PREVENTION, ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1 INTRODUCTION

- 1.1 The Community Foundation North East (the Foundation) seeks to prevent, detect and deal with fraud, bribery and corruption. The Foundation is committed to a strong anti-corruption culture and to complying with all laws relevant to preventing fraud and countering bribery and corruption including, but not limited to, the Fraud Act 2006 and the Bribery Act 2010.

2 PURPOSE AND SCOPE

- 2.1 The purpose of the policy is to set out responsibilities for observing and upholding the Foundation's position on preventing fraud, bribery and corruption and to provide information and guidance to those working for the Foundation on how to recognise and deal with any fraud, bribery and corruption concerns when they arise.
- 2.2 The policy applies to all employees, trustees (directors), volunteers (including committee co-optees and grant panel members) agents, contractors, sub-contractors, consultants, business partners and any other parties associated with the Foundation.

3 DEFINITIONS

- 3.1 **Fraud** is knowingly making an untrue or misleading representation with the intention of making a gain for yourself or someone else which causes a loss, or risk of loss, to another. Examples of attempted fraud at the Foundation could include, but are not limited to: creating fictitious supplier invoices; false requests to change bank account details for a grantee; spurious CEO/Board emails asking for payments to be made.
- 3.3 A **bribe** is a cash inducement or other reward offered, promised or provided to gain any commercial, contractual, regulatory or personal advantage. **Corruption** is the abuse of a position of trust or power for personal gain or advantage which may involve bribery. Examples of such advantages at the Foundation could include (but are not limited to) gifts and donations; grants; publicity; contracts; employment; legal permissions.

4 PRINCIPLES

- 4.1 The Foundation strictly prohibits and will not tolerate fraud, acts of bribery or any other corrupt behaviour.

- 4.2 The Foundation expressly prohibits the offering, giving, solicitation or acceptance of any bribe to or from any person or organisation to gain any advantage for the Foundation itself, or for one or more individuals or organisations. However:
- gifts, hospitality or expenses are allowed provided they comply with section 8 below; and
 - lobbying or engagement of politicians can be allowed provided they are within the terms of the Charity Commission guidance (CC9) and intended solely as a means of delivering the Foundation's charitable purpose. The Foundation does not permit donations to political parties in the Foundation's name.

5. RESPONSIBILITY FOR IMPLEMENTING THE POLICY

- 5.1 It is the responsibility of all employees, trustees, volunteers, agents, contractors, subcontractors, consultants, business partners and any other parties associated with the Foundation to:
- ensure that this policy is read, understood and complied with;
 - prevent, detect and report any acts or suspected acts of fraud, bribery or corruption;
 - safeguard the company, its associated assets and its reputation;
 - avoid any activity that might lead to or suggest a breach of this policy;
 - always exercise due diligence when dealing with third parties on behalf of the Foundation.
- 5.2 Training on this policy will form part of the induction process when staff join the Foundation. Existing staff will receive regular updates as required including training on fraud prevention and cyber security. The policy will also form part of the induction process for trustees and volunteers, including panel members. Contracts will make clear that they are issued in line with this policy.

6. BREACHES OF THE POLICY

- 6.1 Employees and trustees must notify the Chief Executive as soon as possible if they believe or suspect that a breach of this policy has occurred or may in the future. Other parties should notify their normal point of contact within the Foundation in the first instance. Where any concern relates to the Chief Executive, either the Chief Finance and Operating Officer or the Chair of the Board should be notified.
- 6.2 If a demand for a bribe is accompanied by any threat, whether explicit or implied, and whether physical or otherwise, individuals associated with the Foundation must put their own safety first, making payment if necessary to remain safe, and then reporting the incident immediately to the Chief Executive and in the case of non-employees, their normal point of contact within the Foundation.
- 6.3 Any alleged breach of this policy by an employee will be dealt with under the Foundation's disciplinary procedure and could result in dismissal for gross misconduct.
- 6.4 Any alleged breach by a trustee will be investigated by the Finance and Resources Committee in the first instance and could result in disqualification from the Board.

- 6.5 Any alleged breach by volunteers or others associated with the Foundation will be investigated by the Chief Finance and Operating Officer and could result in individuals being removed from voluntary roles or contracts being terminated.
- 6.6 The police will be notified of allegations where criminal activity may have taken place and the Foundation will co-operate fully with any external investigations.

7. RECORD KEEPING

- 7.1 The Foundation will maintain an effective fraud, bribery and corruption response plan and will ensure that any suspected or actual fraud, bribery or corruption is dealt with under this plan.
- 7.2 The Foundation will keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. Checks on bank account details for payment of grants or requests to change details, will be carried out in line with the Grants Manual. All accounts, invoices and other documents and records relating to dealings with third parties (such as grantees, suppliers and business contacts) will be prepared and maintained with strict accuracy and completeness. All parties are also expected to:
- declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review; and
 - ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Foundation's expenses policy and specifically record the reason for the expenditure.

8. GIFTS AND HOSPITALITY

- 8.1 Excessive or inappropriate gifts and hospitality can constitute a bribe or may be perceived as such. So, care and due diligence must be exercised when giving or receiving any form of gift or hospitality on behalf of the Foundation. The giving or receiving of gifts of cash is never permitted.
- 8.2 Gifts, hospitality and expenses must meet with all the following tests to be allowable.
- Legal and compliant with relevant regulation.
 - Made for the right reason: if a gift for hospitality, then clearly as an act of appreciation; if an expense then for a bona fide business purpose.
 - No obligation is placed on the recipient.
 - No expectation is created for the giver or someone associated with them.
 - Made openly, disclosed to management and documented, including the purpose and approval given.
 - Of a reasonable value: gifts must be small; hospitality or expense costs must be in line with the Foundation's general business practice.
 - Appropriate to the professional relationship with the Foundation and in line with its business practice.

9. MONITORING AND REVIEW

- 9.1 The Foundation will monitor the effectiveness of this policy regularly to ensure its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. The policy will be reviewed by the Board every three years.

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