

## Anti-fraud, bribery & corruption policy

Owner: Finance Director

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<b>Anti-fraud, bribery &amp; corruption policy</b>	<b>1</b>
Introduction	1
Definitions	2
Statement	3
Prevention and detection	3
Leadership	3
Risk assessment	3
General procedures	4
Working with others	5
Conflicts of interest	5
Dissemination and communication	6
Reporting, investigation and disciplinary action	6
Related policies and procedures	7
Monitoring of compliance	7
Procedure and timing for the review of this policy	7
Appendix one: resources	8
Appendix two: change log	8

### Introduction

This policy sets out Blue Ventures' anti-fraud, bribery & corruption statements together with related guidance.

This policy applies to all of Blue Ventures. All trustees, employees, consultants, volunteers and interns are required to comply with this policy. As we are ultimately governed as a UK charity and as

legislation in the UK is generally recognised globally as being robust, our organisational policy is primarily based on UK legislation. However, we also recognise and support essential differences due to differing country contexts and legislation and therefore additional requirements from other legislation have been incorporated to ensure we are legally compliant in every jurisdiction.

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## Definitions

The term **fraud** is commonly used to describe a wide range of misconducts including theft, corruption, pilfering, bribery, forgery, misrepresentation, collusion, money laundering and concealment of material facts. It involves the use of deception to make a personal gain for oneself, a connected person or a third party, or a loss for another – intention is the key element that distinguishes fraud from irregularity. The damage caused by fraud is not limited to the potential financial impact, but it can cause damage to the reputation of an organisation responsible for managing funds effectively and efficiently. This is of particular importance for a charitable organisation like Blue Ventures, responsible for the management of funders' and donors' funds. Conflict of interests exists where the impartial and objective exercise of the official functions of a person are compromised for reasons involving family or economic interest.

**Bribery** – the offering, promising, giving, accepting or soliciting of money, gifts or other advantage as an inducement to do something that is illegal or a breach of trust in the course of carrying out an organisation's activities.

**Corruption** – the abuse of entrusted power for private gain.

**Extortion** – the unlawful use of one's position or office to obtain money through coercion or threats. One example would be when customs officials request undue 'customs duties' from importers as a condition to clear their goods.

**Facilitation payments** – these are bribes and are usually small unofficial payments made to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement.

**Gifts and hospitality** – these can range from small gifts (such as diaries) to expensive hospitality (tickets for major events, holidays, etc.) Extravagant gifts and hospitality may be used to disguise bribes that are intended to induce improper behaviour.

**Solicitation** – the act of a person asking, ordering or enticing someone else to commit bribery or another crime.

**Whistleblowing** – the sounding of an alarm by an employee, director or external person to express concerns about or to attempt to reveal neglect or abuses within the activities of a company.

## Statement

Blue Ventures is committed to maintain high legal, ethical and moral standards, to adhere to the principles of integrity, objectivity and honesty and wishes to both be opposed to, and be seen to be opposed to fraud and corruption in the way that it conducts its business. All members of staff in all Blue Ventures locations are expected to share this commitment and act accordingly.

Blue Ventures has a zero tolerance policy towards the giving and receiving of bribes, corruption in any form or any type of fraud, whether actual or attempted, whether by Trustees, staff, affiliates or partners. Blue Ventures will work with regulatory authorities in all the jurisdictions in which we operate to ensure that we comply fully with all legislation and reporting requirements.

Specifically, except to avoid immediate personal risk to their health or safety, no individual may:

- Commit or attempt to commit fraud;
- Give, offer or accept a bribe;
- Make or offer a bribe, whether directly or via a third party;
- Offer any payment or gift or hospitality to any organisational contact (including a government or public official, organisational partner, supplier, subcontractor, donor or sponsor) or a member of his/her family with the intention to influence him/her in the performance of his/her official functions.

## Prevention and detection

### Leadership

It is a Charity Commission requirement for Trustees to safeguard the charity including setting a strong tone through a clear policy and through acting in accordance with the policy and with integrity in all of their dealings.

### Risk assessment

We will undertake a regular (normally annual) assessment of fraud, bribery and corruption risk. The detailed results are included in the risk register.

The Finance, Risk & Audit Committee (FRAC) is responsible for assessing the risk of fraud and the adequacy of the control framework in place.

## General procedures

We will maintain strong internal controls, particularly in relation to expenditure to help prevent and detect fraud, bribery and corruption. These are included within the Finance Manual. The following sections set out procedures with regards to specific identified risks.

### **Gifts and hospitality**

Blue Ventures' policy on the giving and receiving of gifts and hospitality is:

- No trustee, employee, or consultant accepts directly or indirectly any discount, gift, entertainment (which includes meals, cultural events, tourist visits etc) or favours (referred to as gifts) that may influence or be perceived to influence the exercise of their official function, or the performance of their official duties or their judgement. Trustees, employees and consultants should report to the Finance Director any discount, gift, or entertainment that they receive, that they refuse, or that they see given to another trustee, employee or consultant, if they believe there is a risk that it may influence or be perceived to influence the exercise of their official function, or the performance of their official duties or their judgement.
- For the avoidance of doubt, all cash gifts must be refused and all gifts with an equivalent value of more than £50 should be refused. Any such gifts which are refused should be reported to the Finance Director.
- The Finance Director will maintain a register of all reported gifts and any hospitality that has been refused and report these to the board. Such reports will appear in the minutes of the Board meetings.

### **Facilitation payments**

Facilitation payments are bribes and illegal. Facilitation payments are payments made to secure or speed up routine actions, usually by public officials, such as issuing permits, immigration controls, attending meetings, providing services or releasing goods held in customs. It is also our policy that we require that our agents and other intermediaries, contractors and suppliers do not make facilitation payments and/or other bribes on our behalf.

The experience of Blue Ventures employees is that facilitation payments can be avoided, for example by stating to those seeking a bribe that Blue Ventures operates a no bribe policy.

When there is a suspicion that a payment might be considered a facilitation payment, it should only be made if the official or third party can provide a formal receipt or written confirmation of its legality. If practicable, senior management approval should be obtained for the payment.

If a payment demand is accompanied by an immediate threat of physical harm or false imprisonment then the overriding principle is to put safety first. In these circumstances, the

payment should be made and then reported immediately to the Finance Director, recording the circumstances and amount of the payment.

### **Sitting fees for government officials**

Blue Ventures staff periodically need to meet government officials in the course of discharging their duties. In the past, officials have claimed sitting fees as a prerequisite for attending meetings. Blue Ventures pays allowances to fishers who lose income when they engage with Blue Ventures' programs, however government officials do not lose income when they attend meetings, so should not be paid sitting fees for attendance at meetings. If non-payment results in (or is likely to result in) failure of attendance from government officials, this policy should be discussed with senior managers at the relevant Ministry. As sitting fees go to individuals and not back to the government, senior managers should be in a position to compel their staff to attend meetings with Blue Ventures without requiring sitting fees.

### **Inflated travel and accommodation rates for government officials**

Blue Ventures' rates for travel and accommodation should be used for Blue Ventures staff and for any other individuals whose expenses are covered by Blue Ventures, including government officials. If use of these rates results in (or is likely to result in) failure of engagement from government officials, this policy should be discussed with senior managers at the relevant Ministry.

### **Working with third parties**

Blue Ventures works with third parties as a matter of course, and considers partnerships to be vital and fundamental in the way it works towards achieving its mission. These partnerships are enormously beneficial in the delivery of Blue Ventures' objectives but bring increased risk of fraud and corruption as funds are no longer under Blue Ventures direct control.

To counter the risk from working with third parties, Blue Ventures has developed additional control procedures to be adopted when working with third parties, including partner organisations. Any Blue Ventures partners, project funders, and any third parties including subcontractors, agents or intermediaries are to be made aware of this policy and are bound contractually to meet the requirements of this policy. Where relevant Blue Ventures will include appropriate clauses in its contracts about reporting incidents of fraud, bribery and corruption and any associated consequences; such consequences could include the termination of the particular contract, depending on the circumstances, and may lead to prosecution.

### **Conflicts of interest**

Blue Ventures recognises that conflicts of interest may arise that could lead to trustees, employees or consultants taking decisions, or appearing to take decisions, that are based on personal interest and not the interest of the organisation. Such conflicts of interest can be a form of corruption. Guidance for employees and consultants on avoiding conflicts of interests is given in the

[Procurement Policy](#). Guidance for trustees on avoiding conflicts of interests is given in the [Conflicts of Interest Policy](#).

## Dissemination and communication

All trustees, employees, consultants, volunteers, and interns are to be inducted into this policy as part of their recruitment. Refresher training will be provided periodically to ensure all trustees, employees, consultants, volunteers, and interns remain up to date with the policy.

This policy shall be published on Blue Ventures' website.

## Reporting, investigation and disciplinary action

Any member of staff, volunteer or contractor who has reasonable grounds to believe there has been a case of fraud or attempted fraud, bribery or attempted bribery or other irregularity in the organisation is required to record the details in writing. They should report it immediately to their line/project manager and the Finance Director. All reports or suspicions will be followed up immediately by senior management with a view to determining whether any disciplinary action is needed and to improve the internal management and control system where necessary.

If the line/project manager or Finance Director is deemed to be involved in the incident in any way, or is not able or willing to properly deal with the report, then the report should be sent to the Safeguarding and Reporting committee using the email [report@blueventures.org](mailto:report@blueventures.org) alternatively members of staff may report their concerns to the Chair of Trustees, who's email address can be found in the contacts list.

Staff, contractors and volunteers will be protected from any adverse consequences of a report unless they are making malicious or unfounded allegations. Staff, contractors and volunteers who try to stop other individuals from raising legitimate concerns will be disciplined or have their contract terminated (in the case of contractors).

Having made the initial report, staff should not need to remain involved in the case unless as a witness required in the event of legal proceedings. Individuals will be informed of the outcome of the investigation unless there is a need to maintain confidentiality for legal reasons.

Responsibility for conducting a formal investigation will depend on the nature of the irregularity and the location but must be decided upon in discussion with the Finance Director who will liaise with senior management and trustees as deemed appropriate. A report should be compiled including a summary of the facts, how the case was discovered, an estimate of any financial losses and actions taken.

If an employee bribes (or attempts to bribe) another person either to obtain or retain business for Blue Ventures, or to obtain or retain an advantage in the conduct of BV's business this will be considered gross misconduct. Similarly accepting or allowing another person to accept a bribe will

be considered gross misconduct. If an employee commits (or attempts to commit) fraud either for personal or organisational gain this will be considered gross misconduct.

A register of all incidents of fraud and malpractice will be maintained by the Finance Director. The register will be submitted to the Blue Ventures Board of Trustees for regular review.

The finance director will also be responsible for reporting to the board and to relevant authorities (these may include, but are not limited to, the police where a crime is suspected, and to relevant donors if required). If Blue Ventures has suffered loss or disadvantage as a result of the fraud or malpractice, civil legal proceedings against the perpetrator may be pursued.

In line with advice from BV's auditors, in all cases [a report should be submitted to the Charity Commission using this online form](#) as soon as possible after a fraud allegation has been received, regardless of the size of the potential loss to BV. The report should then be updated once the investigation has been completed and the case closed. All details required by the Charity Commission (which are included on BV's fraud register) should be shared with FRAC trustees for review and express approval prior to submission to the Charity Commission. Responsibility for reporting alleged and actual frauds to the Charity Commission rests with the Finance Director.

## Related policies and procedures

The following policies are related and should be referred to for further detail on specific areas:

- Risk register
- Finance manual
- Procurement policy
- Conflict of interest policy
- Code of conduct
- Whistleblowing and reporting guidance and procedure

## Monitoring of compliance

The Finance Director will be responsible for ensuring compliance with this policy.

FRAC has delegated responsibility for reviewing the effectiveness of the procedures concerning the prevention and detection of fraud as well as the broader internal control framework. The Finance Director will share an annual update with FRAC to support FRAC in this role. FRAC will consider whether it is necessary to share this with the board who remain responsible for this policy.

## Procedure and timing for the review of this policy

This policy will be reviewed as a minimum every three years. Comments or suggestions on how this policy is operating should be sent to the Finance Director.





## Appendix one: resources

Please see the following resources for further information: [www.doingbusinesswithoutbribery.com](http://www.doingbusinesswithoutbribery.com) is a free online training course developed by Transparency International.

[www.transparency.org](http://www.transparency.org) is the web site for Transparency International UK, the leading non-profit source on anti-corruption work in the UK.

RESIST is a scenario-based handbook on how to resist extortion and solicitation in international transactions:

[http://www.transparency.org/whatwedo/pub/resist\\_resisting\\_extortion\\_and\\_solicitation\\_in\\_international\\_transactions](http://www.transparency.org/whatwedo/pub/resist_resisting_extortion_and_solicitation_in_international_transactions)

Anti-Bribery Principles and Guidance for NGOs:

<https://www.transparency.org.uk/publications/anti-bribery-principles-and-guidance-for-ngos/>

## Appendix two: change log

<b>Date</b>	<b>Section</b>	<b>Summary of changes</b>
January 2022	Entire policy	Merger of anti-bribery & corruption and anti-fraud policies.
November 2022	Reporting, investigation and disciplinary action	Addition of requirement to report all frauds to the Charity Commission