



Anti-Fraud, Bribery and Corruption

Eastern Region Training Group Ltd

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Introduction

The aim of this policy and procedure is to clearly show that as an organisation Eastern Region Training Group (ERTG) recognises its responsibilities of protecting public money very seriously.

This policy forms part of that protection by setting out its approach to fraud, bribery and corruption and it is designed to:

- Encourage prevention
- Assist detection
- Identify a defined route for investigation

ERTG requires all employees and contractors to act honestly at all times and protect the public resources they are responsible for if appropriate. Fraud or bribery are an ever-present threat to these resources. The purpose of this document is to set out:

- The definitions of fraud and bribery (appendix a)
- Responsibilities for the prevention of fraud and bribery

- Procedures to be followed where fraud or bribery is detected or suspected (see appendix a)
- Whistleblowing procedures

Definition

In law, a person is guilty of fraud if they are in breach of any of the following:

- False representation
- Failing to disclose information
- Abuse of position

Fraud occurs where a person unlawfully obtains money or other property belonging to another person or organisation by knowingly giving false information or omitting to declare information. It may include stealing, forgery and falsification of records.

There are four key offences under the Bribery Act 2010:

- Bribery of another person
- Accepting a bribe
- Bribing a foreign official
- Failing to prevent bribery

Bribery and Corruption involves the offering and acceptance of a reward for doing something or perhaps not doing something and would usually occur in connection with contracts or decision making.

The Bribery Act 2010 makes it an offence to offer, promise or give a bribe and also makes it an offence to request, agree to receive or accept a bribe. The Act defines a corporate offence of failure by a commercial organisation to prevent bribery that is intended to obtain or retain business or an advantage in conduct of business for the organisation.

Computer Fraud is where information technology (IT) equipment has been used to manipulate programs or data dishonestly or where the use of an IT system is a material factor in the committing of fraud.

The word 'Whistleblowing' in this policy refers to the disclosure, by staff, of malpractice, illegal acts or omissions at work, whether this disclosure is to someone else in ERTG or to an external person or organisation.

The word 'Whistle blower' in this policy refers to the person making the disclosure

ERTG's Responsibilities

ERTG will develop and maintain effective controls to prevent fraud and bribery and make sure that if it does occur it will be detected promptly. If fraud or bribery is suspected, a prompt and vigorous investigation will be carried out. The appropriate legal and disciplinary

action will be taken in all cases where it is justified and if necessary, the police will be informed.

Changes to systems and procedures will be made to ensure similar frauds do not happen more than once. The investigation will always consider if there has been a failure of supervision and if so, appropriate disciplinary action will be taken.

Line Manager's Responsibilities

Fraud and bribery will not be tolerated, and it is the responsibility of every manager within ERTG to ensure it does not occur. The Bribery Act 2010 states that if a bribery offence is committed under the direct supervision of the manager, then the manager is also deemed guilty of this offence and will be subject to disciplinary and/or criminal proceedings if found guilty of the knowing about the offense and not acting in accordance with this policy.

ERTG recognises that a key preventative measure in the fight against fraud, bribery and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record and conduct of potential staff, in terms of their propriety and integrity.

Line Managers are responsible for making sure an adequate system of internal control exists within their areas of responsibility and controls operate effectively. The responsibility of prevention and detection of fraud and bribery therefore rests, primarily with the manager.

In terms of establishing and maintaining effective control measures it is generally desirable that wherever possible:

- There is a regular rotation of staff, particularly in key posts
- There is a separation of duties so that control of key functions is not vested with one individual
- Backlogs are not allowed to accumulate which may encourage fraudulent activities
- When designing any new systems, consideration is given to building in safeguards against internal and external fraud.

Staff Responsibilities

All staff are expected to follow any code of conduct set out by ERTG.

Where IT systems are being utilised, all parties are required to comply with the requirements of the Data Protection Act 1998.

Every member of staff has a duty to ensure public funds are safeguarded, whether they are involved with cash or payment systems, receipts, stocks or dealing with contractors or suppliers. Staff should alert their Line Manager where they believe the opportunity of fraud or bribery exists because of poor procedures or lack of effective oversight.

Staff should not accept gifts, hospitality or benefits of any kind from a third party that might be seen to compromise integrity.

Appendix A

Procedures to be followed where fraud or bribery is detected or suspected

Introduction

Instances in which employees are suspected of theft or fraud are extremely rare however when they do arise that are serious, and they can be very difficult to deal with. Factors that can cause difficulties include:

- Evidence may be concealed, incomplete or ambiguous.
- People may choose not to co-operate with an investigation and to say nothing, if they suspect that the police may become involved.
- Investigations must be prompt but need to involve several different people, each with their own responsibilities and time constraints.

This guidance note does not try to give a very detailed process for dealing with every possible case. Each incident that arises will be different and will need to be treated on its merits. A very rigid plan for action is therefore inappropriate. What this note aims to do is highlight who needs to be involved, the essential steps that must be taken in any investigation and to say where the principal responsibilities lie.

In general, any action in response to suspected theft, fraud or failure to account for property or funds should ensure that:

- Care is taken to be discreet, especially in the early stages where evidence may be lacking, employees must not be rashly accused of dishonesty.
- Key people are alerted promptly and kept informed throughout.
- Responsibilities are clear.
- Joint action is initiated when required.

Who is involved in the investigation

Any employee who discovers evidence of theft or fraud should inform either their Line Manager or If they feel unable to raise the matter with their manager, for whatever reason, the matter should be raised to either the Company Director or the Quality and Compliance Manager.

ERTG will normally wish for the police to be made aware of and to independently prosecute offenders where financial impropriety is discovered, including bribery. Referrals to the police will be made only by those mentioned above.

Steps that must be taken

1. Establish who is in charge of the investigation – It is important that everyone is clear from the outset who is leading the investigation.

2. Secure the evidence – Evidence of theft, bribery or fraud is often in documents such as petty cash or banking records, payment vouchers or time sheets. Unless these are made secure very quickly, they may be changed or destroyed. Securing evidence may mean taking the documents out of the building or storing in a locked filing cabinet with limited access until they can be properly checked. It may mean copying computer files or temporarily restricting local access to computers.
3. Suspend suspected employee(s) – In some cases it is desirable to remove from the workplace the employee(s) suspected of the wrongdoing, whilst an investigation is carried out.
4. Interview staff – One representative should be responsible for coordinating interviews and for ensuring that the interviews are conducted fairly and result in admissible evidence. Statements should be taken, signed and time/date stamped. All interviews to be conducted by two people to again ensure fairness
5. Produce a management report – The purpose of the investigation is to produce a management report which will go to the Company Director. This document will bring together all the evidence and will recommend what action if appropriate should be taken. This will include disciplinary action and remedial action on procedures or systems to prevent any recurrence of the fraud.
6. Inform the police – If at any stage unlawful activity is identified then the Managing Director will decide whether to inform the police.