



Anti-Bribery

Version 2

Category: Operations – Finance

Latest Review Date: May 2016

Review Frequency: 3 years

Owner: Finance Director

Contributors: Head of Finance, Company Secretary, Internal Auditor, Head of HR Services

POLICY

1. Policy Goal

To minimise the risk to ExtraCare Charitable Trust's (ECCT) reputation and operation. To ensure that all members of staff can be confident that they will not suffer in any way as a result of reporting reasonably held suspicions of bribery.

2. Business Objectives

To support a culture where staff act honestly and with integrity at all times to safeguard the resources of both the ExtraCare Charitable Trust (ECCT) and its residents. To ensure that all parties understand that, regardless of scale, bribery will not be tolerated by ECCT, whether there is financial inducement or not.

To uphold the reputation of ECCT and maintain public confidence in its integrity.

To ensure compliance with regulatory frameworks by ensuring that any incidents are reported to the appropriate authorities.

To increase awareness of the anti-bribery responsibilities at all levels within ECCT.

3. Organisational Statement

As a registered charity which receives public and charitable funds to provide care, housing, housing related support and associated services for older people together with being a responsible service provider and employer, ECCT is committed to maintaining an ethical culture which does not and will not tolerate any form of bribery.

Any such issues will be thoroughly investigated and, if confirmed, dealt with rapidly in the strongest possible way. We will seek the strongest possible sanctions against those who seek to bribe ECCT, our staff or our residents and against any of our staff who accept bribes or seek to bribe third parties. This includes taking appropriate action against those involved which may include criminal or civil action.

4. Outcomes

All Trustees, subsidiary company directors, staff (including shops' staff) and volunteers are aware of and understand this policy, understand what type of misconduct is covered by the policy and understand their own responsibilities for preventing bribery and for reporting any suspicions.

Reported issues are investigated and dealt with fairly, consistently and without delay in accordance with the policy. Bribery is a criminal offence and will be reported to the police.

A central fraud/theft/financial irregularity/bribery log is maintained and incidents are escalated appropriately through ECCT and reported in accordance with internal governance procedures and external regulatory requirements.

Risks, weaknesses and lessons learned are identified following any investigation with remedial action taken to reduce risk of recurrence.

5. Application

This policy applies to all Trustees, subsidiary company directors, staff and volunteers who must be aware of, understand and adhere to this policy.

The Finance Director is responsible for the implementation of this policy.

Roles and responsibilities are defined in Appendix 2.

6. Reason for the Policy

To ensure that ECCT is not exposed to any unnecessary risks that may compromise its ability to finance the business and to safeguard its reputation. To ensure that anti-bribery measures are embedded and managed as part of ECCT's wider internal control and risk management framework and everyone understands their role and responsibilities. To ensure that regulatory requirements are understood and met.

7. What is new / What is different

This is an updated policy.

8. How to measure success

All staff understand what actions constitute bribery and how to report allegations. The risk of bribery is well controlled and there are no instances. Neither internal nor external audit raise any concerns around bribery risk. Lessons are learned from investigations undertaken. Awareness of staff responsibilities with regards to risk of bribery is present and intolerance to this is embedded within ECCT culture.

9. Reference to relevant documents

Regulation / Guidance	In House Documents
Homes and Communities Agency Regulatory Framework for Social Housing in England from April 2012 (as amended from April 2015)	Whistleblowing Policy Financial Regulations Disciplinary Policy
Bribery Act 2010	Grievance Policy
Fraud Act 2006	Complaints Management Policy
Money Laundering Regulations 2007	Anti-Money Laundering Policy
The Public Interest Disclosure Act 1998	Anti-Bribery Policy
Theft Act 1968	Staff Handbook
Charity Fraud. A guide for the trustees and managers of charities	Recruitment & Selection procedures Gifts and Hospitality Policy
Reporting Serious Incidents – guidance for trustees	Conflicts of Interest Policy
Proceeds of Crime Act 2002	Anti Fraud, Theft and Financial Irregularity Policy

10. Approval date – May 2016**11. Next review date – May 2019**

APPENDIX 1

Definition of Bribery

A simple working definition of bribery is:

“The offering, promising, giving, accepting or soliciting of an advantage as an inducement to do something which is illegal or a breach of trust.”

The Bribery Act also notes that the purpose of the bribe is to ‘induce a person to perform improperly a relevant function or activity’ or to ‘reward a person for the improper performance of such a function or activity’.

Bribes can be given or received, promised or expected. They can take many forms and be of any size, including both payments and in-kind benefits. Bribes that are given are known as ‘active bribery’ and bribes received are known as ‘passive bribery’. A bribe can be given before or after the breach of trust takes place – such as a kickback following the award of a contract.

Examples of bribery

- A potential supplier offers money to the purchasing team to win a contract
- Job applicants bribe a recruitment officer to win employment or to gain extra hours of work from a zero hours contract
- A bribe is paid to an official to gain planning permission for a new village development
- A family offer a significant donation in order to secure a specific apartment in one of our locations for their relative
- Our building contractor pays to ‘wine and dine’ the Executive Team at a Michelin starred restaurant to discuss our upcoming development programme

The results of a bribery incident can be severe, legally, reputationally and organisationally. In legal terms, there are strict anti-bribery laws and related legislation such as anti-terrorism and anti-money laundering laws which can lead to fines and imprisonment for individuals and fines for organisations. These laws apply in most countries to charities and NFP’s, not just to purely commercial organisations. For example, the UK Bribery Act applies to employees of UK charities, and in most cases to the charity and its board. Regulators may also act on incidents of bribery. If a charity is involved in bribery, the Charity Commission would consider whether this would be mismanagement and/or misconduct, depending on how the trustees managed the incident.

Potential Impacts of Bribery

- Reputational damage
 - Loss of reputation and damage to the ‘brand’ and potential subsequent reduction in grant and donation revenue
 - Alienation of supporters and employees
- Legal and regulatory sanctions

- Fines and prison for officers, employees, associates
- Civil lawsuits
- Sanctions by regulatory bodies such as the Charity Commission
- Debarment from government funding contracts
- Operational
 - Cost of professional fees
 - Diversion of board and management time
 - Loss of donors, sponsors, clients, students, associates, contracts or ventures
 - Organisational activity distorted by bribery
 - Damage to the supply chain
 - Dysfunctional or unsuitable activities and projects
 - Termination of projects before completion
 - Demotivation of staff and employees

APPENDIX 2

Roles and Responsibilities of Relevant Parties

Roles and responsibilities for identifying and mitigating against the risk of bribery must be clearly understood and embraced effectively.

The Finance Director has overall accountability for managing the risk of bribery and will take every action necessary to protect ECCT.

The Finance Director will:-

- Promote a culture of honesty and openness throughout the organisation.
- Ensure the risk of bribery is considered in ECCT's corporate risk management arrangements.
- Ensure that effective controls are developed and maintained to prevent and detect bribery.
- Ensure those engaged in countering bribery have the appropriate authority, skills and knowledge to undertake this work effectively.
- Ensure that findings from bribery investigations lead to relevant system changes.

Managers' Responsibilities

The day to day responsibility for the promotion of a culture of honesty and openness throughout ECCT and for the prevention and detection of bribery rests with line managers who are responsible for:

- Identifying the risks to which systems, operations and procedures are exposed.
- Ensuring their location / departmental risk register accurately reflects the risk of bribery including any emerging risks.
- Controls, including those in a computerised environment and for new systems and procedures, are effective and are properly maintained and documented.
- Ensuring there is full compliance with the Financial Regulations and associated policies and work instructions.
- Ensuring that the necessary controls to counter bribery are in place where the Charity is working with other organisations.

Advice and assistance on control issues is available from the Finance Department and managers are encouraged to make use of this service by contacting the Head of Finance.

Staff Responsibilities

All staff, including managers, are responsible for:

- Acting with propriety in the use of the organisation's resources and in the handling and use of funds whether they are involved with cash or payment systems, receipts or dealing with contractors, suppliers or residents;
- Following all policies, procedures, work instructions and other control measures to safeguard the Charity and protect staff from suspicion.
- Reporting any weaknesses in controls, or where policies, procedures and work instructions are not being followed by others.

Reporting details **immediately** if they suspect or believe that there is evidence of irregular or improper behaviour or that a bribe may have been committed (refer to Whistleblowing Policy).