



Anti-Fraud, Bribery, and Corruption Policy

Introduction

FAME Foundation's Anti-Fraud, Bribery, and Corruption Policy is designed to promote an anti-fraud culture and consistent organizational behavior across the organization when dealing with cases of suspected fraud, bribery, or corruption. It sets out responsibilities for fraud prevention and detection and provides clear guidelines and procedures for reporting cases of suspected fraud and corruption and for the conduct of investigations. This policy applies to the FAME foundation Board of Trustees, Senior Management, all other staff, and volunteers.

FAME Foundation requires all staff at all times to act honestly and with integrity and to safeguard the resources for which they are responsible. The FAME foundation policy stipulates that:

- Any level of fraud or corruption in or against the organization will not be tolerated
- Every attempt will be made to deter and prevent fraud.
- Opportunities for fraud, bribery, and corruption will be reduced to the lowest level of risk possible.
- Staff will be made aware of the obligation to report suspicions of fraud
- Mechanisms will be in place for staff to report fraud.
- Any suspicion of fraud will be thoroughly investigated and dealt with appropriately.
- Any evidence of criminal activity will be reported to the police.
- Mechanisms will be in place for seeking redress in respect of money defrauded.

FAME foundation also expects that individuals (e.g. any suppliers, contractors, and service providers) that it interacts with will act towards the organization with integrity and without thought or actions involving fraud. Where relevant FAME foundation will include appropriate clauses in its contracts about the consequences of fraud, bribery, and corruption; evidence of

such acts is likely to lead to a termination of the particular contract or termination of an individual's affiliation to the organization and may lead to prosecution.

Definitions

Fraud

The Fraud Act 2006 created a new general offense of fraud with three possible ways of committing it.

- Fraud by false representation, i.e. if an individual dishonestly makes a false representation and intends by making the representation to make a gain for himself or another, or to cause loss to another, or expose another to the risk of loss.
- Fraud by failing to disclose information, i.e. if an individual dishonestly fails to disclose to another person information which he is under a legal duty to disclose and intends, through abuse of that position, to make a gain for himself or another, or to cause loss to another or expose another to the risk of loss.
- Fraud by abuse of position, i.e. if an individual occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person, and he dishonestly abuses that position, and intends, through the abuse of that position, to make a gain for himself or another, or to cause loss to another or expose another to a risk of loss.

Corrupt Practices and other Related Offences Act 2003 established three main offenses of fraud, all of which carry a maximum sentence of 10 years and/or an unlimited fine. The offenses are:

- Fraud by false representation
- Fraud by failing to disclose information or
- Fraud by abuse of position.

The following actions are among those which fall within the definition of fraud:

- Theft of company property, including information
- Misappropriation or use of company assets for personal gain
- False accounting – dishonestly destroying, defacing, concealing, or falsifying any account, record, or document required for any accounting purpose
- Forgery or alteration of company documents
- Intentional destruction or removal of company records
- Any computer-related activity involving the alteration, destruction, forgery, or manipulation of data for fraudulent purposes or misappropriation of FAME Foundation-

owned software

- Falsification of travel and subsistence claims
- Knowingly generating or paying false claims or invoices
- Unauthorized disclosure of confidential information to third parties e.g. confidential details of current organization's activities or of bids or activities that the company is contemplating.

Bribery

- Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for action which is illegal, unethical or a breach of trust.
- Bribes can take many different forms, but typically they involve corrupt intent. A bribe could be: the direct or indirect promise of anything of value
- The offer of a fee, reward or other advantage
- The giving of a donation.

Corruption

Corruption is the misuse of power for private gain.

The Bribery Act 2010 makes bribery and corruption a criminal offence and holds companies and organizations liable for failing to prevent acts of bribery or corruption by those working for or on its behalf, no matter where the act takes place.

Policy Scope

This policy applies to all FAME foundation's directors and staff, working on behalf of the organization.

Policy Statement

FAME foundation expects high standards of conduct and probity from all of its directors and staff and requires them at all times to act honestly, with integrity and to safeguard the resources for which they are responsible. The company also expects its suppliers, delivery partners and sub-contractors or vendors to maintain the same high standards of conduct and probity.

FAME foundation is committed to developing an anti-fraud culture and actively seeks to deter and prevent fraud and corruption by ensuring that risks are identified and managed effectively. The company will not accept any level of fraud, bribery or corruption and will investigate

thoroughly all suspected cases. Staff involved in an impropriety of any kind will be subject to the company's disciplinary procedures and legal action will be taken where appropriate.

To ensure that this policy is implemented effectively, FAME foundation will:

- Identify and include fraud and corruption risks within its risk management processes
- Develop and maintain appropriate control systems to reduce the risk of fraud and corruption
- Encourage a culture of prevention and deterrence
- Ensure that responsibilities are clearly defined and communicated at all levels
- Encourage staff and others to be vigilant and report any genuine suspicions of fraudulent activity
- Ensure that if a fraud occurs, a prompt and thorough investigation takes place, without regard to position held or length of service of employees concerned
- Take appropriate disciplinary and legal action in all cases, where justified
- Review systems and procedures to prevent similar fraud should a fraud occur
- Ensure that anti-fraud considerations are built into tendering and sub-contracting processes.

Roles and Responsibilities

The Finance officer holds overall responsibility for FAME foundation's corporate anti-fraud policy and procedures. They are responsible for establishing and maintaining a sound system of internal control to manage the whole range of risks that FAME foundation faces. A five-man audit committee, made up of at least 3 non-executive directors appointed by the Board of Trustees, is responsible for reviewing the effectiveness of the organization's internal control and risk management systems, as well as the organization's procedures for detecting fraud.

Executive Director Responsibilities

The Executive Director is responsible for:

- Identification and evaluation of risks and risk management
- Notifying supply-chain partners/sub-contractors of the nature of any investigation relating to a case of suspected fraud involving one or more of their employees.
- Reporting significant incidents of fraud to FAME foundation's Board (for example, where a significant sum of money is involved or if there is likely to be public interest because of the nature of fraud).

Finance Officer Responsibilities

The Finance Officer is responsible for:

- Identification and evaluation of risks and risk management
- Developing and implementing fraud prevention and detection measures
- The regular review of the organization's financial regulations and accounting procedures
- Arranging for the internal audit of the organization's financial regulations and accounting procedures to ensure compliance
- Providing advice and assistance to the Operation's manager on control issues.

Organization Risk Officer Responsibilities

The Organization Risk Officer is responsible for:

- Development and regular review of the Anti-fraud, Bribery and Corruption policy
- Ensuring that all managers and staff are aware of FAME foundation Anti-fraud, Bribery and Corruption Policy through the dissemination of information and provision of relevant training
- Providing advice and assistance to the Operations Manager in the application of the policy should a case of suspected fraud occur
- Heading up an investigation team in response to a report of suspected fraud, when required to do so by the Risk Management Incident Group.
- Reporting to the Risk Management Incident Group on the progress of any investigation.

Operations Manager Responsibilities

- Ensuring that all staff are familiar with the Anti-fraud, Bribery and Corruption Policy
- Identifying the risks involved in the contracts for which they are responsible
- Developing the local control systems necessary to prevent and detect fraud
- Reviewing and testing regularly the control systems for which they are responsible to ensure they are operating effectively
- Ensuring that staff have received appropriate training on control systems and that controls are complied with
- Notifying the Organization Risk Officer when any case of suspected fraud is reported to them
- Ensuring that vendors and sub-contractors have an anti-fraud policy and procedures in

place and meet the contractual requirements relating to the prevention of fraud and dealing with suspected incidents of fraud

- Assist sub-contractors in developing appropriate controls systems to prevent and detect fraud if appropriate

Media and Communications Officer Responsibilities

The Media and Communications Officer is responsible for:

- Responding to media enquiries which may arise from a case of fraud or corruption.

Human Resource Officer Responsibilities

- Ensuring that disciplinary action is taken against perpetrators of fraud
- Preparing the response to requests for references for any member (or former member) of staff who has been disciplined or prosecuted for fraud.

All Staff Members are responsible for:

- Being alert to the possibility of fraud and taking special care if unusual events or transactions occur.
- Reporting details immediately if they suspect that fraud is taking/has taken place or if they see any suspicious acts or events.
- Co-operating fully with any internal checks, reviews or investigations.
- Employees are required to fully disclose any situation in which his or her personal interests may conflict with those of the company.

Gifting Policy

Any employee who is, or might be influenced by personal considerations which may hinder objective decision-making must seek advice from an appropriate senior officer. Employees and their families must not accept, directly or indirectly, any money, gifts or hospitality which could influence or appear to influence decisions they make on behalf of the organization. Staff responsible for the purchase of supplies, equipment or services must take particular care to ensure that there can be no criticism that unequal treatment has been given to suppliers involved in tendering processes, through the acceptance of gifts or other benefits.

Employees who are offered a gift as an inducement for preferential treatment must decline or return it as appropriate, with a suitably courteous letter explaining the organization's policy. Employees should not give any gift or hospitality with the expectation that they and/or the

company will benefit from it, since this may constitute a bribe. The acceptance and/or offer of small gifts and/or casual hospitality such as business lunches, dinners or invitations to events, is acceptable within reasonable grounds, as long as it is a normal and appropriate expression of business courtesy and that the recipient is not placed under any obligation.

If a member of staff is in any doubt as to the propriety of giving or receiving any gift or hospitality then he/she must consult his/her line manager.

The Procurement of Supplies & Services Policy & Framework refers.

Corruption and National or Local Government Officials

Contacts with and/or gifts to or from national or local government officials can be particularly sensitive. Employees must not offer or provide, either directly or indirectly, any pecuniary or other advantage to or for a public or corporate official in order to obtain or retain business or secure any improper business advantage. Any employee who is asked by a government or corporate official to circumvent these rules must immediately report the matter to Executive Director.

Political Contributions

Employees should not make any contributions to either individual politicians or political parties in order to secure political or commercial influence on behalf of the organization. (This does not preclude private donations to political parties made by individual employees which otherwise would be lawful).

Anti - Fraud Arrangements with Sub-Contractors/ Vendors

FAME foundation expects its vendors and delivery partners to maintain high standards of conduct and probity and to have in place anti-fraud processes similar to that of the organization.

All of FAME foundation's staff should therefore be required to:

- Have in place anti-fraud and confidential disclosure policies and procedures
- Immediately report any case of suspected fraudulent activity by its employees to FAME foundation's Operations manager who will then initiate an investigation following the procedures outlined in this policy
- Immediately suspend any member of staff who is suspected of fraud
- Ensure that all its employees are informed about and have access to its anti-fraud and confidential disclosure policies.

Where necessary, FAME foundation will assist providers in developing appropriate control systems to prevent and detect fraud when appropriate. Where a potential vendor is judged to have inadequate processes and is unwilling to commit to the standards of the organization, FAME foundation will not do business transactions with such vendors.

Reporting a Suspicion of Fraud

Fraud may be discovered in a number of ways, including the following:

- Through planned audit work
- Through the operation of management and control procedures
- A concern may be raised by a member of the public
- A concern may be raised by an employee.

Staffs are encouraged to report any suspicion of fraud, bribery or corruption or any other form of malpractice. The Confidential Disclosure Policy makes clear that staff can report suspicions confidentially and without fear of victimization or subsequent discrimination or disadvantage, whatever the outcome of an investigation.

Communication and Training

This policy is communicated to all staff via the organization's platforms, including the social media accounts.

Internal Controls and Audit

Internal control systems are subject to regular audits to provide assurance that they are effective in countering fraud, bribery and corruption.

The company's external auditors review the internal financial control systems on an annual basis as part of their statutory audit. Any control issues arising or recommendations for improvement are set out in the Key Issues Memorandum which is presented by the external auditors to the Audit Committee.

Internal audits of the organization's financial controls are carried out periodically by senior members of the finance team and the Organization Risk Officer who are not directly involved in the area being reviewed.

Review

This policy is reviewed every year or in the event of any change in related government policy.

Risk Management Response Plan

Initial Response

Any suspicion of fraud, bribery and corruption (whether perpetrated by a member of FAME foundation staff or by a third party) must be reported without delay to a manager who without delay should escalate to the Organization Risk Officer. No investigations should be undertaken at a local level by managers or other staff. Internal investigations could be counterproductive to the investigative process and hamper efforts to promote an independent and transparent process.

Risk Escalation

At any time during an investigation, the initial risk status may escalate (or deescalate) at which time the Organization Risk Officer will notify, in liaison with Operations Manager and the Executive Director.

Risk Management Incident Group

The Risk Management Incident Group comprises key company stakeholders best placed to advise, direct and manage serious incidents. All members or a combination of representatives may be called upon.

The Risk Management Incident Group

The Risk Management Incident Group will determine what immediate action should be taken, for example, whether the matter should be immediately reported to the police and how the investigation will proceed.

Duties of the Risk Management Incident Group

- Liaise with the Operations Manager in respect of notifying the funder as required by the contract.
- Identify any disciplinary action required
- Identify any criminal proceedings to be taken

Gathering and Securing Evidence

The Organization Risk Officer should maintain a chronological record of events, giving a full explanation of each action and event during the course of the investigation. As considerable time may elapse between the start and conclusion of the investigation, it is important that a detailed record is maintained to aid recall to all relevant events. A successful criminal prosecution may also depend on these details. The following should be logged:

- Details of all telephone calls, faxes, e-mail and any other forms of communication
- A formal record of all interviews and meetings
- A clear record of where and how documents and other evidence were obtained.

Where there is a possibility of subsequent criminal proceedings, the Risk Management Incident Group will nominate the Organization Risk Officer to refer the matter to the police and seek advice from them on the conduct of internal enquiries, to ensure that any potential criminal case is not prejudiced.

Guidelines for Conducting Investigation Interviews

The Organization Risk Officer will need to interview members of staff under investigation and other members of staff who may be witnesses to or able to help establish the facts. During interviews the investigating officer should adopt the following best practice:

- Have an interview plan before the meeting to ensure the key issues are covered.
- Arrange for an appropriately trained member of the Administrative Department to attend the interview and ask them to take detailed notes.
- Conduct interviews in an independent and professional manner.
- Ask only questions relevant to the investigation.
- Do not ask leading questions or subject the interviewee to harassment or intimidation.
- Prepare a type written statement of the interview, recording all salient points and wherever possible record direct speech by the investigator and the person making the statement.
- Ask the interviewee to read the statement, to make any corrections or additions to the statement and to sign the statement at the end to say it is a true and correct record of the interview.
- Treat reports and statements as 'Restricted' documents and share them only with members of the Risk Management Incident Group and the police, where appropriate and where directed. The Executive Director and/or the Risk Management Incident Group

may decide the appropriateness of sharing these documents with other company employees i.e. the Human Resource Officer.

Suspending Staff under Investigation

Where initial investigation provides reasonable grounds for suspecting a member of staff of fraud, theft, bribery or corruption, the Risk Management Incident Group will take steps to prevent any further loss. It may be appropriate to suspend the suspect(s) pending the outcome of the investigation.

In these circumstances, the suspect(s) should be:

- Approached sensitively (unannounced) in a confidential space
- Supervised at all times by a member of the Senior Management Team before leaving the organization or sub-contractor premises, to prevent them from destroying or removing any evidence.
- Allowed to collect personal property under supervision, but should not be able to remove any property or records belonging to the organization, sub-contractor or program
- Required to immediately return any keys to premises, security passes, laptop computers, memory sticks, mobile devices and files including diaries and address books in their possession.
- Denied any unsupervised access to the organization's premises whilst they remain suspended.
- Denied access to the organization's ICT systems whilst they remain suspended.
- Required not to make contact with other staff in relation to the investigation.

Notifying the Funder

Post consultation with the Risk Management Incident Group, notification to the funding organization about actual or suspected fraud should commence where necessary. FAME foundation's contractual obligations with regards to reporting are detailed within the various contracts and guidelines. The Operations Manager hold copies of these and must follow the required protocol, liaising with contract managers throughout the process.

Media Enquiries

Any media response plan should be consented to by the Risk Management Incident Group. Enquiries from the media in respect of any case of fraud, theft, bribery or corruption should be referred to the Media and Communications Officer who will make any statement to the media.

