

## Sustain policy on anti-bribery, fraud & corruption

### Overall statement of principle

Sustain has zero tolerance of bribery and corruption and all types of fraud, whether actual or attempted, in any circumstances, whether perpetrated by trustees, staff, members, volunteers, contractors, grantees or associates.

### Six principles of adequate procedures

The six principles of adequate procedures outlined by the Ministry of Justice in guidance are:

- Proportionality
- Top level commitment
- Risk assessment
- Due diligence
- Communication (including training)
- Monitoring & review

### Proportionality

Sustain does not operate in, nor receive grants from, nor transfer funds to, countries perceived as having a high 'corruption perception index', according to Transparency International.<sup>1</sup> Sustain does not make donations to political parties, rarely makes significant grants to third parties, and rarely issues significant contracts for services. We also have robust processes and structures for ensuring that our activities have suitable checks and balances, and that Sustain membership, funding and policies are open, transparent, based on consultation and accountable. We therefore consider bribery and corruption to be a relatively low risk, but have adopted this policy to ensure we remain aware of potential risks and have suitable policies and processes in place to identify or avoid these.

### Definitions

**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 activity.<sup>2</sup> It includes facilitation payments, nepotism or patronage, kickbacks and extravagant gifts or hospitality.

**Fraud:** an act carried out either by a staff member or volunteer, or anyone else, with the deliberate intention of deceiving the Charity, its donors, beneficiaries or the general public to gain a personal advantage, or cause loss to another. It covers acts varying from theft to false accounting, from the tradesman dishonestly conducting unnecessary repairs, to an employee arranging an unnecessary trip in order to claim expenses, to the candidate who falsely claims qualifications on their CV. It may involve not telling the truth, failing to say something when you should, or abusing your position.<sup>3</sup>

### Preventing and detecting fraud, bribery & corruption

Prevention and detection of both fraud and bribery & corruption is the responsibility of everybody within the organisation including staff, volunteers and trustees. Management will devise processes to help prevent and detect instances of both but the vigilance of staff is a key component.

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<sup>1</sup> See: <http://cpi.transparency.org/cpi2015/results/>

<sup>2</sup> BOND: Anti-Bribery Principles and Guidance for NGOs, June 2011

<sup>3</sup> Based on the British Red Cross policy, which was based on the UK Fraud Act 2006

### ***Risk assessment***

Sustain undertakes a regular assessment of risk across the organisation. This will explicitly include an assessment of current risks of bribery and fraud within the countries and locations that we operate directly and/or through local partners. Sustain's risk strategy is reviewed annually by the Sustain Council of Trustees, with a rolling risk register reviewed at quarterly meetings.

We will seek to minimise the likelihood of any risk of bribery or fraud by putting in place appropriate procedures. Should the likelihood of an event continue to be assessed as high even after mitigation we will seek to withdraw from the activity or relationship in question until such time as we assess the risk to have reduced to an acceptable level.

### ***General procedures***

These policies and procedures form part of our procedures to prevent and detect fraud & bribery:

- Finance manual
- Procurement policy
- Conflict of interest policy
- Whistle blowing
- A no-blame culture if concerns are raised openly and at an early stage
- Human resource policies e.g. taking up of references, protection of whistle blowers

### ***Working with third parties***

We will publish our anti-bribery and corruption policy openly on the Sustain website, and communicate our zero tolerance to the third parties we work with.

Sustain rarely makes significant grants, or issues significant contracts for services. However, we will seek to include a clause relating to fraud and bribery within every significant contract.

### **Example clause for inclusion within contracts**

#### **DEFINITIONS**

**Applicable Anti-Bribery Law:** means any bribery, fraud, kickback, or other similar anti-corruption law or regulation of any relevant country, including the Bribery Act and the US Foreign Corrupt Practices Act 1977;

**Associated Person:** means in relation to any entity, a person who (by reference to all the relevant circumstances) performs services for or on behalf of that entity in any capacity and including, without limitation, employees, agents, subsidiaries, representatives and subcontractors; and

**Bribery Act:** means the UK Bribery Act 2010 (as amended from time to time).

#### **ANTI-BRIBERY**

1.1 [Grantee] must not violate any Applicable Anti-Bribery Law.

1.2 [Grantee] has and must at all times maintain adequate procedures designed to prevent it and all Associated Persons from engaging in any activity that would constitute an offence under the Bribery Act if it were carried out in the UK, or violating any other Applicable Anti-Bribery Law.

If at any stage [Grantee] should become aware of, or suspect, any breach or violation of any Applicable Anti-Bribery Law which relates to the project and/or programme activities funded by Sustain, [Grantee] must report the matter immediately to PAN-UK in writing.

1.3 Breach of any of the provisions in this clause or of any Applicable Anti-Bribery Law is a material breach of this Agreement and, without prejudice to any other right, relief or remedy, entitles Sustain to terminate this Agreement immediately.

**Political donations**

Sustain does not make donations to political parties.

**Gifts and hospitality**

From time to time, employees might be offered a significant gift or invited to a hospitality event above and beyond a normal working meeting or work-related celebration. Such offers should be reported to a member of Sustain's Senior Management Team (or in the case of the Chief Executive to the Chair of the Board of Trustees, providing the opportunity for such gift or invitation to be declined. If the value of the gift or hospitality is considered excessive (in the UK, £100 or above) then it must be declined/returned. If it has been declined/ returned then this should be recorded.

**Disciplinary action**

Disciplinary action will be taken against any employee who commits a fraud or who offers or accepts a bribe. Such behaviour may be considered to be gross misconduct and the disciplinary action will reflect that. Disciplinary action may also be taken for a failure to report on suspected or actual infringement of this policy.

**Staff communications and training**

Employees will be introduced to this policy as part of their induction, and it will be published by Sustain openly on the Sustain website.

**Reporting**

Where an employee identifies an instance of fraud or bribery, actual or attempted, they should immediately notify a member of the Senior Management Team. If they feel this course is inappropriate, they can report to a member of Sustain's Council of Trustees. All such correspondence will be treated confidential, unless with permission of the employee, or in the case of legal issues arising. The employee should not investigate the incident themselves, nor question or inform any persons whom they consider could potentially have been involved in the incident.

The Chief Executive will maintain a register of all notified instances of fraud, bribery & corruption, and notify the Sustain Council of Trustees of any incidents that occur and remedial action taken. The register will include: date, name of individual and/or company involved, brief details of the instance including approximate value, name of person notifying, date notified, date Charities Commission notified and/or police and/or the Serious Fraud Office as appropriate and any other follow-up procedures or actions taken, and lessons learned.

The register will be kept in a secure directory with access restricted to the Chief Executive, Deputy Chief Executive, Head of Finance and Chair of Sustain's Council of Trustees only. Details may also be shared with appropriate members of the staff team to the extent needed to investigate the incident.

All instances of fraud or bribery, actual or attempted will be investigated and procedures reviewed to ensure they are adequate. If the value appears significant or the incident appears to indicate a more widespread issue, then an appropriate external examiner may be appointed. If any major incidence occurs, this will be reported to the Charity Commission and/ or donors and/or the Serious Fraud Office as required.

**Procedure and timing for the review of this policy**

This policy will be reviewed as a minimum every two years, and also when any significant change happens in Sustain's activities that may merit a review.

**Policy approved by Sustain Council of Trustees, January 2017**