



# MALAYALEE ASSOCIATION OF THE UK

Kerala House, London

Charity No: 1102653 Company No: 4934084



[www.mauk.org](http://www.mauk.org)



mauklondon

## Anti-fraud, Bribery and Corruption Policy

|                         |                     |
|-------------------------|---------------------|
| <b>Last review date</b> | 18 November 2019    |
| <b>Next review date</b> | 18 November 2020    |
| <b>Last updated by</b>  | Sreejith Sreedharan |

### Policy Summary

Malayalee Association of the UK (“MAUK”) has a ‘zero tolerance’ stance towards fraud, bribery and corruption. It will always seek to take disciplinary and/or legal action against those found to have perpetrated fraud.

MAUK is committed to developing an anti-fraud culture and to keeping the opportunities for fraud, bribery and corruption to the absolute minimum.

MAUK will assess the risks of fraud, bribery and corruption, establish processes and controls to minimise these risks, and it will regularly review the effectiveness of its control systems.

MAUK requires directors, volunteers and staff to report immediately any incidents or suspicions of fraud, bribery or corruption to an appropriate manager or another person named in clause 15. MAUK will not penalise anyone for raising a concern in good faith.

MAUK will take all reports of fraud, bribery and corruption seriously, and investigate them proportionately and appropriately.

MAUK requires all those receiving funds or representing the organisation, including volunteers, to act in accordance with this policy. This includes reporting to the organisation any suspected or actual instances of fraud, bribery or corruption involving MAUK’s assets, its directors or volunteers.

### Introduction

1. MAUK complies with applicable legislation, including the Fraud Act 2006, the Bribery Act 2010 and with other regulatory requirements. Its directors, volunteers and staff are required under charity law to safeguard the assets of the charity.
2. MAUK is committed to conducting itself fairly, openly and honestly and in accordance with the highest ethical and legal standards.

## **Purpose**

3. The purpose of this policy is to set out the MAUK's stance on fraud, bribery and corruption and its approach to preventing, detecting, reporting and investigating fraud, bribery and corruption.

## **Scope**

4. This policy is applicable to, and must be followed by, all directors, volunteers and staff including consultants and contractors. Failure to comply could result in disciplinary and/or legal action, including dismissal.
5. MAUK requires all those receiving funds or representing the organisation, including its suppliers, grant recipients, partners, contractors, volunteers and agents to act in accordance with this policy.

## **Policy**

### **Policy Statement**

6. MAUK has a 'zero tolerance' stance towards fraud, bribery and corruption. This means that MAUK:
  - a) does not accept any level of fraud, bribery or corruption within the organisation or by any other individual or organisation receiving MAUK's funds or representing MAUK; and
  - b) will always seek to take disciplinary and/or legal action against those found to have perpetrated, be involved in, or assisted with fraudulent or other improper activities in any of its operations.
7. MAUK is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum. Directors, volunteers and staff are encouraged to raise any suspicion or concern, however small or immaterial this may seem.
8. MAUK requires all directors, volunteers and staff to act honestly and with integrity to safeguard the resources and reputation of MAUK at all times.

### **Risk and internal control systems**

9. MAUK will seek to assess the nature and extent of its exposure to the risks of internal and external fraud, bribery and corruption. It will review these risks annually, using information on actual or suspected instances of fraud, bribery and corruption to inform its review.
10. MAUK will seek to put in place efficient and effective systems, procedures and internal controls to: encourage an anti-fraud culture; prevent and detect fraud, bribery and corruption; and reduce the risks to an acceptable level.
11. MAUK will make all those receiving funds or representing organisation, including its director, volunteers and staff aware of this policy.
12. When appropriate, MAUK will work with relevant stakeholders, including comparable organisations, relevant regulators and government organisations to tackle fraud.

13. MAUK will regularly review and evaluate the effectiveness of its systems, procedures and internal controls for managing the risk of fraud. It will do this through risk management and assurance processes and audit arrangements.

#### **Reporting - internal**

14. All directors, volunteers and staff must immediately report any suspected or actual instances of fraud, bribery or corruption. This includes offers to pay bribes, solicitation of bribes and demands to make facilitation payments. Failure to report could result in disciplinary action.
15. Reports should be made to the Chair or Secretary. If directors, volunteers and staff are not comfortable reporting their concerns to these people, they should contact the Chief Financial Officer (“CFO”). In the event of a report being made to the Chair, he will inform the Secretary and CFO within 48 hours of the fraud, bribery or corruption being reported to the Chair. The Secretary and CFO, together with the Chair, will decide on the appropriate course of action to be taken with regard to further reporting, taking into account this Policy.
16. MAUK also requires all those receiving funds or representing MAUK, including directors, volunteers and staff to report any suspected or actual instances of fraud, bribery or corruption involving, without limitation, MAUK’s assets or directors, volunteers or staff.
17. MAUK will not penalise anyone for raising a concern in good faith, even if it turns out to be unfounded. Any directors, volunteers or member of staff, who harasses or victimises someone for raising a concern in good faith will themselves be subject to disciplinary and/or legal action.
18. MAUK will maintain a system for recording: all reports of actual or suspected fraud, bribery and corruption; the action taken; and the outcome of any investigation. It will use this information to inform its review of the risks and the effectiveness of its controls.

#### **Reporting – external**

19. MAUK will fully meet its obligations to report fraud, bribery and corruption to third parties.

#### **Investigation**

20. MAUK will take all reports of actual or suspected fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in this policy.
21. MAUK will always seek to take disciplinary and/or legal action against those found to have perpetrated or assisted with fraudulent or other improper activities in any of its operations. For directors, volunteers and staff, this may include dismissal. It will also seek to recover any assets lost through fraud.

#### **Specific risk mitigation measures**

22. To manage the exposure to bribery and corruption, the directors, volunteers and staff must comply with the MAUK’s Policy on Gifts and Hospitality. No payment (whether it be a facilitation payment or otherwise), gift or service is to be made to or received from

23. any Public Official without prior notification to (and the approval of) the Chair and Secretary.
24. Conflicts of interest are known to increase the risk of fraud. Therefore, all directors, volunteers and staff who have an interest in an actual or potential supplier (whether personally, or through family members, close friends or associates) must report that conflict of interest to the Chair or Secretary.

## Responsibilities

25. **All directors, volunteers and staff** are responsible for complying with this policy.

## Definitions

**Fraud** is knowingly making an untrue or misleading representation with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another.

**Bribery** is giving or offering someone a financial or other advantage to encourage that person to perform their functions or activities improperly, or to reward someone for having already done so.

**A facilitation payment** is a type of bribe. An example is an unofficial payment or other advantage given to a Public Official to undertake or speed up the performance of their normal duties.

**Corruption** is the misuse of entrusted power for personal gain. This would include dishonest or fraudulent behaviour by those in positions of power, such as managers or government officials. It would include offering, giving and receiving bribes to influence the actions of someone in a position of power or influence, and the diversion of funds for private gain.

**A conflict of interest** is where an individual has private interests that may or actually do influence the decisions that they make as an employee or representative of an organisation.

**Public Official** means any person in public office.

## Links to related policies and procedures:

### [Gifts and Hospitality Policy](#)



MAUK Gifts and  
Hospitality

## 1 FURTHER GUIDANCE ON FRAUD

### Summary of legislation

The relevant legislation in the UK is [The Fraud Act 2006](#).

The [Fraud Act 2006](#) defines a general offence of fraud and sets out three ways by which fraud can be committed:

- fraud by false representation. A representation is false if it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading.
- fraud by failing to disclose information.
- fraud by abuse of position. This applies to those occupying a position in which they are expected to safeguard, or not to act against, the financial interests of another person.

### Examples of fraud relevant to MAUK:

#### Procurement fraud:

- Directors, volunteers and staff colluding with suppliers and ordering and paying for goods or services that are not required and / or have not been delivered, or are charged at an excessive rate.
- Directors, volunteers and staff or third parties creating false invoices, receipts, purchase orders or supplier identities in order to obtain payment for goods and services that have not been supplied.
- Directors, volunteers and staff awarding a contract, or preferential terms, to a supplier in return for payments, personal discounts, commission or other benefits; or awarding a contract to a relative or other connected party.

#### Fraudulently altering documents or records:

- Grant recipients not spending grant funds on purposes intended, or keeping funds for personal use, and falsifying records to support false claims.
- Staff issuing false receipts to customers in order to keep the funds paid for personal use.
- Directors, volunteers and staff or third parties altering vendor payment details to divert supplier payments to own bank account.
- Directors, volunteers and staff fraudulently altering exam papers or exam results, or releasing details of exam papers in return for a bribe or in order to favour a relative.
- Directors, volunteers and staff fraudulently altering accounting records.

#### Expenses fraud:

- Directors, volunteers and staff claiming expenses or allowances to which they are not entitled, including by falsifying receipts.

- Directors, volunteers and staff using MAUK's bank and/or credit cards for personal expenses.
- Directors, volunteers and staff ,without the consent of the Chair or Secretary, using MAUK's assets, such as mobile phones, for their own personal use.
- Directors, volunteers and staff or contractors falsifying travel and subsistence or other expense claims.

Fraud involving impersonation:

- Directors, volunteers and staff or third parties impersonating MAUK in order to extract fees for a service which it does not provide, or does not charge for.
- Directors, volunteers and staff or third parties submitting false applications from real or fictional individuals or organisation for grants.

Payroll fraud:

- Directors, volunteers and staff creating non-existent employees for directing payments.
- Directors, volunteers and staff or temporary staff making false or inflated claims for overtime or flexible working.

## 2 FURTHER GUIDANCE ON BRIBERY

### Summary of legislation

The relevant legislation in the UK is [The Bribery Act 2010](#).

The Act makes it an offence to give or receive a bribe, i.e. to:

- Offer, promise or give a financial or other advantage to another person with the intention of inducing them to perform their functions improperly, or to reward them for having done so.
- Request, agree to receive or accept a financial or other advantage as the reward for an improper function or activity.
- It is an offence to offer such a person a financial or other advantage with the intention of influencing them in the performance of their official duties.
- The Act also creates a corporate offence of failing to prevent bribery. This means that MAUK could be liable if someone offers a bribe on its behalf, including directors, volunteers and staff and third parties carrying out MAUK's business, such as partners and suppliers.

### Examples of bribes relevant to MAUK:

Advantages that could be offered as part of a bribe:

- Cash, vouchers or other cash equivalents, or a “fee”.
- Gifts, Hospitality or entertainment outside what would be acceptable under MAUK’s Policy on Gifts and Hospitality).
- MAUK paying travel and accommodation costs to a third party where this is not standard business practice (e.g. not expenses for directors, volunteers and staff, school students being assisted by the MAUK).
- Loans.
- Favourable business terms.
- Discount of services, or providing services free of charge (or ‘uninvoiced’)
- Provision of information that offers a business or personal advantage

Offering or receiving one of the above advantages could count as a bribe if any of the following was offered or given in return:

- Award of contract to particular bidder.
- Obtaining information that would put an individual or MAUK at an advantage, such as information about a competitive tender.
- Any other preferential treatment influenced by the receipt of an advantage.

The following would not usually count as bribes:

- Payment of an official charge.
- Hospitality that complies with MAUK’s Policy on Gifts and Hospitality.

### Process of Policy Review

- MAUK’s Anti-fraud, Bribery and Corruption Policy is reviewed annually.
- The purpose of the review is to determine:
  - if the policy is still necessary and accurate;
  - if the policy should be combined with another policy or if it should be withdrawn;
  - if the policy is up to date with current laws and regulations;
  - if changes are required to improve the effectiveness or clarity of the policy.
- © Malayalee Association of the UK 2019. All rights reserved.