



Anti-Fraud and Anti-Corruption Policy

POLICY CHANGE RECORD	
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1. Motivation

Reall recognises that corruption and fraud undermine the sustainable developmental outcomes we seek to achieve with all our partners and stakeholders. The aim of this policy is to prevent corruption occurring, and, in the event, that either fraud or corruption is suspected of having taken place, to provide guidelines for dealing with the situation.

2. Policy Statement

Reall has a zero-tolerance approach to fraud and corruption. Reall's policy applies to all Reall's Board and Committee Members, employees, agents, suppliers, business partners and any other third parties connected or affiliated with Reall. Reall staff are required to be watchful for fraud, corruption or any suspicious behaviour and report it to appropriate management. All reported concerns will be appropriately investigated, disclosed to relevant management, the Reall Board and donors and the charity commission in line with their contractual obligations and guidance, remediated and closed out with disciplinary actions as required.

Reall is committed to conducting its business and affairs to ensure that it does not engage in, or facilitate, any form of corruption.

3. Definitions

'Corruption' is abuse of power for private gain. In this policy, it is used to describe financial abuse which refers to acts of fraud, nepotism, bribery, and any other form of financial abuse of power. Issues of money laundering, terrorism financing, and bribery are covered by the Reall Anti-Terrorist Financing and Money Laundering Policy and the Anti-Bribery Policy.

Reall defines fraud as:

The theft or misuse of Reall's funds or other resources, by an employee or a third party, which may or may not also involve misstatement of financial documents or records to conceal the theft or misuse.

Fraud is committed by an internal source (staff or trustee, for example) or external source (anyone else) with the deliberate intention of deceiving Reall, its donors, beneficiaries and/or the public to gain a personal advantage or cause financial or non-financial loss to another.

For example, fraud includes but is not limited to the following:

- Theft of funds or any other Reall / Donor property
- Falsification of costs or expenses
- Forgery or alteration of documents
- Destruction or removal of records
- Inappropriate personal use of Reall's assets
- Employees seeking or accepting cash, gifts or other benefits from third parties in exchange for preferment of the third parties in their dealings with Reall
- Blackmail or extortion
- Offering, promising or giving of a bribe and requesting, agreeing to receive or accepting a bribe for any reason (Please refer to Reall's dedicated Anti-Bribery Policy)
- Making facilitation payments
- Paying of excessive prices or fees to third parties with the aim of personal gain

3.1. Other Relevant definitions

Bribery involves offering, promising, giving, accepting or soliciting an incentive (financial or non-financial) to do something that is illegal or a breach of trust.

Money laundering is the process by which the proceeds of crime are converted into assets that appear to have a legitimate origin. Legislation on money laundering in the UK makes the following illegal: concealing, disguising, converting or transferring criminal property; becoming involved in an arrangement facilitating this, and the acquisition, use and possession of criminal property. It is also an offence not to disclose one of the above.

4. Prevention of Fraud and Corruption

4.1. Supporting Policies and Procedures

In addition to this Anti-Fraud and Anti-Corruption Policy, Reall has set in place the following policies and procedures to ensure that incidences of fraud and corruption can be prevented and/or mitigated as far as is possible:

- Financial Regulations
- Anti-Bribery Policy
- Anti-Terrorist Financing and Money Laundering Policy
- Partner and project monitoring procedures
- Procurement Policy
- Staff Handbook,
- Disciplinary and Whistleblowing policies
- Investment Policy
- Partnership Agreements
- Project Funding Agreements
- Conflict of interest declarations
- Gifts and Hospitality declarations
- Cyber Security Policy

Failure to comply with these policies and procedures will be considered an indicator that the risk of fraud and corruption taking place is increased.

As per the Investment Policy, Reall's partners are expected to ensure that they have in place policies and procedures that are aligned with the policies listed at 4.1 above.

The Reall standard consultancy agreement and related Standard Consultancy Terms & Conditions contain appropriate clauses that meet Reall's expectations.

4.2. Due-diligence and Monitoring Procedures

Reall has put in place the following procedures around Partner Capability Assessment and Selection, Risk and Assurance and Partnership Monitoring to support the policies as set out in section 4.1:

- **Prior to accepting a partner into the network:**
 - Reall will assess and ensure that partner approved policies in relation to fraud and corruption are aligned with the Reall policies set out in section 4.1 prior to the signing of a formal Partnership Agreement
 - Partners will be expected to ensure that their board and staff receive appropriate training to ensure that they understand the policies and that they operate in line with them.

- A review (e.g. internet search) will be done to identify if the prospective partner, its management or directors have been involved in fraud, corruption, money laundering or other significant business crimes.

- **Partner Monitoring**

Once a partnership agreement has been signed, Reall will take the following steps to ensure that partners are complying with their anti-fraud and corruption policies on an ongoing basis:

- Review of management recommendations highlighted as part of partner annual external audits
- Annual review of Audited Financial Statements
- Evidence of policy implementation and application
- Project cost benchmarking and comparative assessments
- Business plan monitoring and comparative assessments
- Periodic partner evaluations and assessments (including 3rd party reviews)
- Periodic re-assessment of partner governance arrangements
- Risk and Assurance Visit

5. Reporting a suspected Fraud

Employees are required to report all issues of suspected fraud, corruption, money laundering or terrorist financing in any form. They must report it by following the procedure below. Failure to report concerns is regarded as misconduct by Reall.

Employees should report their suspicions to:

- any of the Executive and/or
- the Head of Risk and Assurance and/or
- the Chair of the Audit Committee

Anonymous concern can be raised using the email address concern@reall.net

Employees who suspect fraud should **not** do any of the following:

- Do NOT contact the suspected individual(s) directly in an effort to determine facts, demand explanations or restitution
- Do NOT discuss the issue with anyone within Reall other than with any one of the Executives or the Head of Risk and Assurance or the Chair of the Audit Committee
- Do NOT discuss the issue with anyone outside of Reall

5.1. Dealing with Reports of Suspected Fraud

Any suspicions of fraud will be taken seriously by Reall.

The steps to be taken in following up on a potential incident are set out in the table at Appendix A, although each case will be different, and it is important that we bear this in mind when deciding on the appropriate steps to take each time. However, the approach should always consider the following broad principles:

- Reall will ensure that **all** potential incidences of both fraud and corruption are reported to the Reall Audit Committee (and the partner board where relevant) as soon as possible after they become aware of them.

- Throughout any investigation into an incident, Reall will monitor the need for reporting both to the Charity Commission as well as the police (where appropriate). Although early reporting is encouraged, it is also recognised that reporting an incident without sufficient evidence can create its own issues – for this reason, the question of whether to report or not should be considered at every stage of the process.

All reports received are retained confidentially in a fraud register held by the Head of Risk and Assurance. All fraud is reported to the Audit Committee.

6. Safeguards for Employees

The safety of whistle-blowers is a very important consideration for investigators and one that must not be taken lightly. The organisation has an obligation to protect staff and partner staff members who have come forward to report wrongdoing.

Issues reported to line management and the helpline will be investigated with the following safeguards:

- Harassment or Victimisation: Reall recognises that the decision to report a suspicion can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. Reall in accordance with its Human Resource Policies will not tolerate harassment or victimisation and will take all practical steps to protect those who raise an issue in good faith.
- Confidentiality: Reall will endeavour to protect an individual's identity when he or she raises an issue and does not want their name to be disclosed. It should be understood, however, that an investigation of any malpractice may need to identify the source of the information and a statement by the individual may be required as part of the evidence.
- Anonymous Allegations: A whistle-blower may opt to make an anonymous allegation. Reall welcomes anonymous allegations and will investigate them taking into account the following factors:
 - The seriousness of the issues raised
 - The credibility of the allegations and the supporting facts
 - The likelihood of confirming the allegation from attributable sources

Issues expressed anonymously will be considered for investigation at the discretion of Reall's independent Audit Committee. It is therefore important that anonymous allegations have as much evidence as possible so as to enable the Reall Audit Committee to determine how or whether to investigate the allegation.

Untrue Allegations: Employees should be aware that if an allegation is made in good faith, but it is not confirmed by an investigation, Reall guarantees that no action will be taken against the complainant. If, however, individuals make malicious or vexatious allegations, disciplinary action will be considered against an individual making the allegation.

7. Recovery of losses

Where Reall has suffered loss, full restitution will be sought of any benefit or advantage obtained and the recovery of costs will be sought from individual(s) or organisations responsible for the loss. If the individual or organisation cannot or will not make good the loss, consideration will be given to taking civil legal action to recover losses. This is in addition to any criminal proceedings which may result.

8. Effective Date

The Anti-Fraud Policy will come into effect immediately upon approval by the Board.

9. Review of this Policy

In the interests of maintaining best practice, the contents of this Anti-Fraud and Anti-Corruption Policy will be reviewed by the Audit Committee every year. In the interim, management is authorised to adjust the policy as may be required by changes to statutory obligations and/or donor requirements - however any other significant revision will need approval by the Board.

10. Anti-Corruption Promotion

Reall will include statements concerning its zero-tolerance stance on fraud and corruption on its website, in all official publications, key correspondence, in partnership and project agreements, and will require partners to do the same.

Appendix A - Process for Investigation

Stage	Indicative steps	Responsible Person
First indication	Executive to appoint Investigation Lead – normally this will be one of the Executive Team.	Executive
Initial notifications	<p>Notify Reall Audit Committee Ensure that partner board notified (where relevant) Notify Donors as per contractual obligations Notify the Charity Commission if the suspicion of fraud and corruption meets the serious incident criteria.</p> <p>Form “Investigation Team” comprising Director, Head of HR and Head of Risk and Assurance.</p> <p>In the event that one of the above, is the subject of the investigation, they should stand aside and replaced with an officer of at least equivalent status at Reall.</p>	Investigation Lead
Initial investigation	<p>“Investigation Team” to consider initial evidence and agree next steps. This should include consideration of whether there is a need for external support for the process (legal or forensic) or whether the investigation can be delivered with in-house resource (bearing in mind any potential conflicts of interest or lack of independence).</p> <p>If the incident relates to the actions of a member of staff, either the Reall or partner disciplinary process should be followed from this point onwards.</p> <p>Consider need for partner suspension from programme if incident is within a partner (therefore putting a stop on any further funding)</p> <p>Appoint external resource where agreed.</p> <p>Consider need for Board and external updates at this stage.</p>	Investigation Lead
Detailed investigation	<p>Detailed investigation to be carried out and formal report to be compiled.</p> <p>Report to be considered initially by Investigation Team and recommended actions agreed. Report should then be considered by Reall Executive Team (unless there is a potential conflict of interest, in which case the Reall Audit Committee).</p> <p>Next actions to be agreed by the Reall Executive Team (or Reall Audit Committee).</p> <p>Consider need for Board and external updates at this stage.</p>	Investigation Lead

Legal/Criminal/Disciplinary Action	<p>Staff Disciplinary Action – follow process as set out in the Reall (or partner) disciplinary process.</p> <p>Legal action – work with legal advisors to progress any agreed actions.</p> <p>Work with Regulatory Bodies, Donors or the Police to respond to any investigation or questions.</p> <p>If the fraud is at a partner level, then work closely with the partner for appropriate legal/disciplinary action – this might include the suspension of further funding and termination of partnership.</p> <p>Update to Board and external parties of completion of investigation and action taken.</p>	Investigation Lead with Head of Risk and Assurance
Acting on recommendations	<p>Any recommendations regarding changes to processes, procedures or contractual documents should be considered.</p> <p>Changes implemented as required to reduce/mitigate the risk of a similar incident occurring again.</p>	Investigation Lead with Head of Risk & Assurance
Share learning	Share learning with partners/staff as appropriate	Investigation Lead

Appendix B - Fraud and Corruption Reporting Form

1. Name of Country where Fraud or Corruption took place
2. Date of Discovery
3. How was the fraud or corruption discovered
4. Details of what you suspect is the fraud or corruption (if you have any evidence or documents to support what you are saying please attach to this report)
5. Amount of the loss discovered or that you suspect
6. Details of any projects involved
7. Names of people you think are involved in the fraud or corruption
8. Have you identified any control weaknesses that you think enabled the fraud/corruption
9. Comment on potential for further losses. Is the fraud continuing?
10. What is your name? (If you do not want to give your name simply leave blank)
11. Your Job Title, Your Email Address, Your Telephone Number
12. Signature and Date