
Fraud & Anti-Bribery Policy

Executive Summary

Following the Internal Audit report – ‘Fraud risk assessment’ by BDO LLP (considered by Audit Committee on 5 November 2019), policies and procedures on Fraud & Anti Bribery have been reviewed and extended. These are attached for Council consideration.

Fraud & Anti Bribery training for employees, Council and Committee members and partners will be provided on induction and as a mandatory requirement on an annual basis.

Policies around Fraud and Anti Bribery will be reviewed on an annual basis by SMT, and any substantive change will be subject to Council approval.

Previous consideration	SMT evaluated the policies on November 26, 2019.
Decision	The Council is asked to discuss and approve the attached policies.
Next steps	Promote the updated policies to employees, and partners. Finalise training material for each group of recipients, in time for roll out early in the New Year.
Strategic priority	Strategic priority 3: Ensure the organisation is fit for the future and able to anticipate and adapt to changes in the external environment
Risk	SR 3 - Failure to be a trusted regulator and meet stakeholder expectations. SR 5- Failure of leadership, governance or culture. The risk appetite for Bribery and Fraud is minimal.
Financial and resource implications	Existing training content may be used for the current financial year, however, budgeting for subsequent years must be considered. In house eLearning will be used to minimise costs. Commercial offerings would cost £2k -10k.
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Fraud Policy

Introduction

This document sets out the policy and procedures of HCPC or HCPTS against fraud, and other forms of dishonesty and supplements the Anti Bribery Policy.

It applies to Directors, employees, contractors, interims, agency staff, Council & Committee members and Partners. Anybody associated with HCPC or HCPTS who commits fraud, theft, or any other dishonesty, or who becomes aware of it and does not report it, will be subject to appropriate disciplinary action.

1. Statement of intent

HCPC or HCPTS will continually strive to ensure that all its financial and administrative processes are carried out and reported honestly, accurately, transparently and accountably and that all decisions are taken objectively and free of personal interest. We will not condone any behaviour that falls short of these principles.

All members of HCPC or HCPTS have a responsibility for putting these principles into practice and for reporting any breaches they discover.

3. Definitions

a) Fraud: A deliberate intent to acquire money or goods dishonestly through the falsification of records or documents. The deliberate changing of financial statements or other records by either; a member of the public, someone who works (in any capacity) or is a Partner for HCPC or HCPTS. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud

b) Theft: Dishonestly acquiring, using or disposing of physical or intellectual property belonging to HCPC or HCPTS or to individual members of the organisation.

c) Misuse of equipment: Deliberately misusing materials or equipment belonging to HCPC or HCPTS for financial or material benefit.

d) Abuse of position: Exploiting a position of trust within the organisation for financial or material benefit.

4. Culture

HCPC or HCPTS fosters honesty and integrity in its entire employees and members. Directors, employees, Council & Committee members and Partners are expected to lead by example in adhering to policies, procedures and practices. Equally, members of the public, service users and external organisations (such as suppliers and contractors) are expected to act with integrity and without intent to commit fraud against the HCPC.

As part of this, HCPC or HCPTS will provide clear routes by which concerns may be raised by Directors, employees, and members and Partners. Details of this can be found in the HCPC's Fraud Response Policy. Alternatively employees may e mail bribery&fraud@hcpc-uk.org

Senior management are expected to deal promptly, firmly and fairly with suspicions and allegations of fraud or corrupt practice. HCPC may use the 'Near Miss Process' which can be found on the Quality Management System [https://hcpcuk.sharepoint.com/sites/management-systems/QMS/Pages/Near-Miss-Process-\(non-conformance\).aspx](https://hcpcuk.sharepoint.com/sites/management-systems/QMS/Pages/Near-Miss-Process-(non-conformance).aspx)

5. Responsibilities

In relation to the prevention of fraud, theft, misuse of equipment and abuse of position, specific responsibilities are as follows:

a) Council members and SMT:

The Directors are responsible for establishing and maintaining a sound system of internal control that supports the achievement of the HCPC's policies, aims and objectives.

The system of internal control is designed to respond to and manage the whole range of risks which the HCPC faces.

The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk is seen in the context of the management of this wider range of risks.

Audit Committee will approve such measures on an annual basis.

b) The Chief Executive Officer:

Overall responsibility for managing the risk of fraud has been delegated to the CEO. The day to day responsibility has been delegated to the Chief Information Security and Risk Officer (CISRO) to act on behalf of the CEO.

Their responsibilities include:

- Undertaking a regular review of the fraud risks associated with each of the key organisational objectives.
- Establishing an effective anti-fraud response plan, in proportion to the level of fraud risk identified.
- The design of an effective control environment to prevent fraud.
- Establishing appropriate mechanisms for:
 - reporting fraud risk issues
 - reporting significant incidents of fraud, or attempted fraud to the Chair of Audit Committee;
- Liaising with the HCPC's appointed Auditors.

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- Making sure that all employees and members are aware of the HCPC's Anti-Fraud Policy and know what their responsibilities are in relation to combating fraud;
- Ensuring that appropriate anti-fraud training is made available to Directors, employees and members and Partners as required; and
- Ensuring that appropriate action is taken to minimize the risk of previous frauds occurring in future.

c) Senior Management Team & Operational Management Team

The Senior Management Team and Operational Management Team are responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- Preventing and detecting fraud as far as possible;
- Assessing the types of risk involved in the operations for which they are responsible;
- Reviewing the control systems for which they are responsible regularly;
- Ensuring that controls are being complied with and their systems continue to operate effectively;
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

d) Employees and members

All employees and Council or Committee members are responsible for:

- Acting with propriety in the use of HCPC's resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers;
- Conducting themselves with selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Alerting their manager when they believe the opportunity for fraud exists e.g. because of poor procedures or lack of effective oversight;
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events; and
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

e) Partners

Every Partner is responsible for:

- Acting with propriety in the use of the HCPC's resources and the handling and use information and of funds whether they are involved with cash, receipts, payments or dealing with suppliers;
- Conducting themselves with selflessness, integrity, objectivity, accountability, openness, honesty and leadership;

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- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Alerting their manager when they believe the opportunity for fraud exists e.g. because of poor procedures or lack of effective oversight;
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events; and
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

6. Review

This policy will be reviewed by SMT and agreed by the Audit Committee on an annual basis.

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Fraud Response Plan

1. Introduction

- 1.1 This fraud response plan provides a checklist of actions and a guide to follow in the event that a fraud is suspected. It covers:
- Notifying Suspected Fraud
 - The investigation process
 - Liaison with police and NAO
 - Initiation of recovery action
 - Reporting Processes
- 1.2 Its purpose is to define authority levels, responsibilities for action and reporting lines in the event of suspected fraud. Theft or other irregularity.

2. Notifying Suspected Fraud

- 2.1 It is important that all employees are able to report their concerns without fear of reprisal or victimisation and are aware of the means to do so. The Public Interest Disclosure Act 1998 (the “Whistle Blowers Act”) provides appropriate protection for those who voice genuine and legitimate concerns through the proper channels. See the separate Whistle Blowing Policy for further details.
- 2.2 In the first instance, any suspicion of fraud, theft or other irregularity should be reported, as a matter of urgency, to your line manager. If such action would be inappropriate, your concerns should be reported upwards to one of the following persons:
- Head of Governance
 - A member of OMT
 - A member of SMT
 - Director of Finance
 - Chief Executive Officer
- 2.3 Concerns may also be raised with the Chair of the Audit Committee
- 2.4 Every effort will be made to protect an informant’s anonymity if requested. However, HCPC will always encourage individuals to be identified to add more validity to the concerns and allow further investigations to be more effective. In certain circumstances, anonymity cannot be maintained. This will be advised to the informant prior to release of information.

3. The Investigation process

- 3.1 Suspected fraud must be investigated in an independent, open-minded and professional manner with the aim of protecting the interests of both HCPC and the suspected individual(s). Suspicion must not be seen as guilt to be proven.
- 3.2 The investigation process will vary according to the circumstances of each case and will be determined by the Chief Executive Officer in consultation with the Director of Finance, the appropriate Director and Head of Governance. An Investigating Officer will be appointed to take charge of the investigation on a day-to day basis. This will normally be the Chief Information Security and Risk Officer or, exceptionally, another independent manager.
- 3.3 The Investigating Officer may appoint any investigation team as needed.
- 3.4 Where initial investigations reveal that there are reasonable grounds for suspicion, and to facilitate the ongoing investigation, it may be appropriate to suspend an employee against whom concerns have been raised. This decision will be taken by the Chief Executive Officer and/or the Director of Finance, in consultation with the Head of Human Resources and Organisational Development and the Investigating Officer. Suspension should not be regarded as disciplinary action, nor should it imply guilt. The process will follow guidelines set out in HCPC's Employee Handbook. Council & Committee members are subject to the Code of Conduct, in the code of Corporate Governance.
- 3.5 It is important from the outset, to ensure that evidence is not contaminated, lost or destroyed. The Independent Investigator will therefore take immediate steps to secure physical assets, including computers and any records thereon, and all other potentially evidential documents or electronic or document saving devices. They will also ensure, in consultation with management, that appropriate controls are introduced to prevent further loss.
- 3.6 The Investigating Officer will ensure that a detailed record of the investigation is maintained. This should include a chronological file recording details of all telephone conversations, discussions, meetings and interviews (with whom, who else was present and who said what), details of documents reviewed, tests and analyses undertaken, the results and their significance. Everything should be recorded, irrespective of the apparent significance at the time.
- 3.7 All interviews will be conducted in a fair and proper manner. Where there is a possibility of subsequent criminal action, the police will be consulted and interviews may be conducted under caution in compliance with the Police and Criminal Evidence Act (PACE), which governs the admissibility of evidence in criminal proceedings.
- 3.8 The findings of the investigation will be reported to the Chief Executive, Director of Finance and head of Human Resources and Organisational Development who will determine, in consultation with the Investigating officer, what further action (if any) should be taken.

4. Liaison with Police and National Audit office (NAO)

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- 4.1 The police generally welcome early notification of suspected fraud, particularly that of a serious or complex nature. Some frauds will lend themselves to automatic reporting to the police (such as theft by a third party). For more complex frauds, the Chief Executive Officer, following consultation with the Director of Finance, Director of Human Resources and Organisational Development, Head of Governance and the Investigating Officer will decide if and when to contact the police. The Director of Finance will report suspected frauds to the NAO at an appropriate time.
- 4.2 All employees will co-operate fully with any police or NAO enquiries, which may have to take precedence over any internal investigation or disciplinary process. However, wherever possible, teams will co-ordinate their enquiries to maximise the effective and efficient use of resources and information.

5. Initiation of Recovery Action

- 5.1 HCPC will take appropriate steps, including legal action if necessary, to recover any losses arising from fraud, theft or misconduct. This may include civil action against third parties involved in the fraud, or whose negligent actions contributed to the fraud, to recover any losses.

6. Reporting Process

- 6.1 Throughout any investigation, the Investigating Officer will keep the Chief executive Officer, Director of Finance, Director of Human Resources and Organisational Development and Head of Governance informed of progress and any developments. These reports may be verbal or in writing.
- 6.2 On completion of the investigation, the Investigating officer will prepare a full written report setting out:
- Background as to how the investigation arose
 - What action was taken in response to the allegations
 - The conduct of the investigation
 - The facts that came to light and the supporting evidence
 - Action taken against any party where the allegations were proved
 - Action taken to recover any losses
 - Recommendations and/or action taken by management to reduce further exposure and to minimise any recurrence.
- 6.3 In order to provide a deterrent to other staff a brief and anonymised summary of the circumstances may be published on HCPC's intranet.

DOs and DON'Ts

DO	DON'T
<ul style="list-style-type: none"> • Make a note of your concerns <p>Record all relevant details, such as the nature of your concern, the names of parties you believe to be involved, details of any telephone or other conversations with names, dates, times and any witnesses.</p> <p>Notes do not need to be overly formal, but should be timed, signed and dated.</p> <p>Timeliness is most important. The longer you delay writing up, the greater the chances or recollections becoming distorted and the case being weakened.</p> <ul style="list-style-type: none"> • Retain any evidence you may have <p>The quality of evidence is crucial and the more direct and tangible the evidence, the better the chances of an effective investigation.</p> <ul style="list-style-type: none"> • Report your suspicions promptly <p>In the first instance, report your suspicions to your line manager. If this action would be inappropriate, further guidance on disclosure can be found in the Anti bribery Policy, the Fraud Policy and the Whistle Blowing Policy.</p> <p>Additionally, all concerns must be reported to the Chief Information Security and Risk Officer.</p>	<ul style="list-style-type: none"> • Be afraid of raising your concerns <p>The Public Interest Disclosure Act provides protection for employees who raise reasonably held concerns through the appropriate channels – whistle blowing.</p> <p>You will not suffer discrimination or victimisation as a result of following these procedures and the matter will be treated sensitively and confidentially.</p> <ul style="list-style-type: none"> • Convey your concerns to anyone other than authorised persons <p>There may be a perfectly reasonable explanation for the events that give rise to your suspicion. Spreading unsubstantiated concerns may harm innocent persons.</p> <ul style="list-style-type: none"> • Approach the person you suspect or try to investigate the matter yourself <p>There are special rules relating to the gathering of evidence for use in criminal cases. Any attempt to gather evidence by persons who are unfamiliar with these rules may compromise the case.</p>

Anti-Bribery Policy

Introduction

The Health and Care Professions Council is committed to acting with objectivity and integrity and conducting all of its activities in an honest and ethical manner.

This includes preventing bribery and fostering a culture in which bribery will not be tolerated in any form.

Council members, committee members, employees, partners and all others who act on the HCPC's behalf must uphold the highest standards of integrity when doing so.

Bribery

In essence, bribery is the giving or receiving of a financial or other inducement or advantage in connection with some improper performance of functions.

The Bribery Act 2010 creates two bribery offences:

- offering, promising or giving a financial or other advantage (the offence of bribing another person); and
- requesting, agreeing to receive or accepting a financial or other advantage (the offence of being bribed).

In either case the bribe must be intended to induce improper conduct by the recipient, that is the improper exercise of a function of a public nature or an activity connected with a business, trade or profession.

The Act also creates a separate offence of bribing a foreign public official. That offence is committed if a bribe is offered, promised or given to such an official with the intention of influencing the recipient in the performance of his or her public functions and with the intention of obtaining or retaining business or a business advantage.

Policy

All forms of bribery are strictly prohibited. A person who is subject to this policy (**you**) must not:

- offer or give a bribe to, or seek or accept a bribe from, any individual or organisation; or
- seek or accept, any payment (in cash or kind) or other inducement in respect of any service provided by or on behalf of the HCPC.

If you are unsure about whether a particular act contravenes this policy, you should seek advice from the HCPC Secretariat.

Hospitality, gifts etc.

This policy does not prohibit the acceptance, for legitimate purposes, of gifts or hospitality which are reasonable and appropriate.

A gift or hospitality will not be reasonable and appropriate if it is lavish or extravagant, or may be seen as an inducement or reward for any preferential treatment.

A gift will be reasonable and appropriate if it is of modest value or a token nature, such as flowers or pens, t-shirts, diaries and similar promotional items. Such gifts do not include expensive items, cash or its equivalent (such as vouchers) or any gift given in secret. No gift or other offering should be accepted if the value is reasonably believed to be over £10.

Hospitality will be reasonable and appropriate if it is of modest value and related to HCPC's activities, such as meals or refreshments provided at meetings or conferences. Such hospitality does not include offers of entertainment, such as attendance at sporting or other events unconnected to the HCPC's activities.

You must not:

- accept a gift or hospitality which is not reasonable and appropriate;
- accept a gift under any circumstances from a supplier or potential supplier when a contract is being awarded or business is being transacted; or
- accept a discount which is not generally available or any similar inducement in respect of products or services purchased for private purposes from an HCPC supplier.

If you are unsure about whether any gift or hospitality contravenes this policy, you should seek advice from the HCPC Secretariat.

Record keeping

You must declare any gifts or hospitality which you receive or give.

You must prepare all records relating to dealings with suppliers and other relevant third parties completely and accurately.

Raising a concern

If you are offered a bribe or are asked to make one, or if you suspect that any bribery or other breach of this policy has occurred or may occur, you must report it as soon as possible to the [HCPC Secretariat] via bribery&fraud@hcpc-uk.org

22 November 2019

Anti-Bribery contract clause

Bribery

The Bribery Act 2010 provides the enforcement mechanism for persons who are found to be involved in bribery.

It is an offence, under the Act, to:

- offer a bribe
- accept a bribe
- bribe a foreign official
- as a commercial organisation, to fail to prevent a bribe.

Bribery is, in the conduct of the HCPC's business, the offering or accepting of any gift, loan, payment, reward or advantage for personal gain as an encouragement to do something which is dishonest, illegal or a breach of trust. Bribery is a criminal offence. No gift should be given by you nor hospitality offered by you to any party in connection with our business without receiving prior written approval from your line manager.

No gift nor offer of hospitality over the value of £10 should be accepted by you or anyone working on our behalf without receiving prior written approval from your line manager.

Your line manager may grant permission to accept a small gift. However, this should be recorded in the Company's gift register held by the Head of Governance.

You will face disciplinary action up to and including dismissal if you are found to have accepted or given any bribe. Accepting a bribe also carries separate criminal liabilities for you personally and for the HCPC.

Any suspected incident of bribery should be reported to the following e mail address bribery&fraud@hcpc-uk.org

Please also refer to HCPC's Fraud, Anti-Bribery and Whistle Blowing Policies