

UK SPORT FIBS & HR AND DEVELOPMENT TEAMS	Document no: 3
POLICY ISSUE ANTI-FRAUD, ANTI-CORRUPTION AND ANTI-BRIBERY	ISSUE DATE November 2017
Lead Persons HR / FINANCE / LEGAL TEAM	Review date November 2019

1. Statement of Intent from UK Sport Chief Executive

As UK Sport's Accounting Officer, I am responsible for ensuring that UK Sport handles its resources and conducts business with regularity and propriety¹. In line with this responsibility I aim to establish, communicate and maintain within UK Sport a culture of responsibility and compliance on anti-fraud, anti-bribery and anti-corruption affecting UK Sport's business activities and minimise the risk of fraud, bribery and corruption. All of us must work together to ensure that we at UK Sport remain untainted by fraud, bribery or corruption. This policy is the core of that effort.

It is my personal responsibility and commitment to make sure we follow it. It has the full support of our Board and Audit Committee but it needs the full support of you, our staff, to make it work. It is in all our interests and I am relying on you to give it that support.

2. Introduction

This policy sets out the steps all of us must take to prevent fraud, bribery and corruption in our business and to comply with relevant legislation and UK Sport's requirements.

This policy should be read in conjunction with UK Sport's Delegated Authority Policy, Travel and Expenses Policy, Conflict of Interest Policy, Gifts and Hospitality Policy, Whistleblowing Policy, Procurement Policy and Procedure and Framework Document with DCMS.

3. What are corruption, bribery and fraud?

Corruption

Corruption in the public sector can be defined as the abuse of power by an official (or any employee entrusted to carry out the functions of government, including contractors) for personal gain.

Bribery

UK Sport is subject to the Bribery Act 2010. Under the Act, it is illegal:

- to pay or offer to pay a bribe;
- to receive or agree to receive a bribe;
- to bribe a foreign public official;

¹ These are obligations placed on the CEO as Accounting Officer under the Framework Document with DCMS page 6 paragraph 6 and HM Treasury's Managing Public Money October 2009 page 17 paragraph 3 and box 3.1, see also Annexes 2.4 and 4.2.

- to fail to have adequate procedures in place to prevent bribery.

A bribe includes financial or other advantage such as gifts and hospitality, meals, entertainment or anything else of value or other advantage. An offence under the Bribery Act carries criminal penalties for individuals and organisations. For individuals, a maximum prison sentence of ten years and/or an unlimited fine can be imposed.

It does not matter whether the act is done directly or indirectly or whether the bribery occurs in the UK or abroad.

Fraud

Fraud is a wrongful or criminal deception intending to result in personal or financial gain. UK Sport is subject to the Fraud Act 2006 which creates a general offence of fraud and introduces three ways of committing it, namely.

- Fraud by false representation;
- Fraud by failure to disclose information when there is a legal duty to do so; and
- Fraud by abuse of position.

In each case:

- the persons conduct must be dishonest;
- his/her intention must be to make a gain; or cause a loss or the risk of a loss to another.
- No gain or loss needs actually to have been made.
- The maximum sentence is 10 years' imprisonment.

Where the "person" in breach of the Act is a legal person (that is, a body corporate), those involved in its management who have consented to or connived in the offence are also guilty of the offence.

4. Who can be involved in fraud, bribery and corruption and in what circumstances?

Fraud, bribery and corruption may be committed by anyone including any of our staff or Board members. This is in addition to external parties such as our suppliers / contractors, agents authorised to act on our behalf (i.e. lawyers, accountants etc.) and bodies we fund i.e. NGBs' and athletes who for example, may seek to induce staff to adopt a more favourable position in key decision making processes.

5. Zero tolerance of fraud, bribery and corruption

Our position is simple: we conduct our business to the highest legal and ethical standards. As public sector employees we operate with honesty, impartiality and objectivity.²

² See page 30 paragraph 4.9.3 of HM Treasury Managing Public Money October 2007 and the Civil Service Code provided at Annex 4.2, see also the

We are committed to protecting public resources, revenue, assets and information from any attempt by **anyone** to gain any benefit by fraud, bribery and corruption. We will thoroughly investigate any report of fraud, bribery and corruption. All decision making at UK Sport adheres strictly to the principles of fairness, openness, equal treatment and non-discrimination.

We will not be a party to bribery or corruption in any form and maintain a zero-tolerance approach to fraud, bribery and corruption by our staff and expect the same of our external partners and third party representatives.

6. What are indicators of fraud, bribery and corruption?

Common indicators (albeit that some in isolation are not harmful) of fraud, corruption and bribery include those listed below. This is not an exhaustive list:

Payments

- for abnormal amounts (e.g. high commissions or requests for high cash payments);
- made in an unusual way, (e.g. what would normally be a single payments is made in stages, through a bank account never previously used, or in a currency or via a country which has no connection with the transaction);
- excessive variations in budgets or contracts;
- pressure to make payments urgently or ahead of schedule.

Process

- bypassing normal procurement, commercial or investment procedures;
- defining needs in contracts which can only be met by specific contractors, regular appointment of a single supplier and / or vague specifications;
- those whose job is to monitor commercial processes, non-declaration of gifts and hospitality (e.g. a person or team specific to the organisation, e.g. Internal Audit) may be prevented from or hindered in doing so;
- Failure to declare conflicts of interest;
- private meetings with contractors or recipients of investments.

Individuals

- unusual behaviour;
- are secretive about certain matters or relationships;

seven principles of public life at Annex 2.4. It should also be noted that under paragraph 2 (E) of the UK Sport National Lottery Directions issued to UK Sport by the Secretary of State under section 26(1) of the National Lottery Act 1993 of 9 November 2007, UK Sport shall take into account when distributing National Lottery funding 'The need to promote the adoption of the highest ethical standards.'

- suppliers or grant recipients insist on dealing with individuals personally;
- receiving gifts and hospitality of relatively 'low' values frequently over business critical periods of time;
- may make trips at short notice without explanation;
- an unexpected change in lifestyle;
- never takes time off even if ill, or holidays;
- lavish gifts and hospitality being given or received.

Decisions

- are taken for which there is no clear rationale;
- unexpected or illogical in accepting tenders or investments which are not favourable to the organisation;
- line managers bypassing subordinates, subordinates bypassing line managers;
- lack of senior management oversight;
- abusing decision processes or delegated powers in specific cases.

Records

- key documents are incomplete or missing (i.e. invoices, contract, grant agreements);
- key documents are photocopied or scanned (e.g. original documents not located).

7. Exceptional circumstances – personal safety and liberty

Where staff are faced with a threat to their personal safety (i.e. there is a risk of harm or loss of liberty) or that of another person, then it may be unavoidable to pay a bribe or make a facilitation payment etc. When faced with such extreme circumstances, UK Sport accepts that staff may make such payments using UK Sport's money without fear of recrimination as the personal safety of staff is paramount.

In such cases, the reporting requirements set out in this policy must be followed and the circumstances in which any payment was made must be fully documented and reported to the Legal Team within five working days.

If a crime has been committed the police should be notified. If abroad and there is a continued risk of harm or loss of liberty, consideration should be given to returning to the UK as soon as possible and contacting the local UK Consulate or Embassy.

8. Risk assessment

Risk in our business will vary by area and UK Sport conducts an annual assessment of the risks of fraud, bribery and corruption. Heads of Teams of each area, working with the HR and Development, Finance and Legal Teams, are responsible for assessing the level of risk to which their team is subject, and, with the approval of their Directors, putting in place any measures additional to those outlined in this policy they consider are required.

9. Records

It is essential that we keep full and accurate records of all our financial dealings. Transparency is vital. False or misleading records could be very damaging to us. Under money laundering regulations, our auditors, bankers, lawyers and accountants are obliged to report anything which appears to be irregular. All records must be retained in accordance with the Document Retention Policy.

10. Monitoring

The Finance, HR and Development and Legal Teams will monitor this policy regularly to make sure it is being adhered to. Internal Audit's role is to consider the risks of fraud, bribery and corruption and provide assurance on the measures adopted within our policies to prevent and manage fraud, bribery and corruption. In doing this, they act in the interest of our business as a whole, and it is therefore the responsibility of all of us to help them in this.

The Finance, HR and Development and Legal Teams will report to the Audit Committee on the corporate risks of fraud, bribery and corruption and compliance with this policy once a year.

11. Responsibility of employees, staff etc

Every member of staff at UK Sport is responsible for full compliance with this policy in accordance with their contract of employment.

Directors and Line Managers should ensure that:

- their teams are aware of how a team member might report suspicions of fraud, bribery and corruption;
- an adequate system of internal control exists within their teams and delegated authority.

12. Reporting breaches

What to do if you think something is wrong

Everybody has a responsibility to speak out if we discover anything corrupt or otherwise improper occurring in relation to our business. We cannot maintain our integrity unless we do that.

If you discover or suspect fraud, bribery and/or corruption, whether internally or with one of our external partners please **report it to your Line Manager or Director or the Legal team as soon as possible**. If for any reason you cannot do this, please report it via the process set out in the Whistleblowing Policy on the intranet.

Matters will be handled confidentially. We will investigate all allegations of fraud, bribery and corruption immediately and, if necessary, report the incident of bribery to the prosecution authorities. During our investigations, the whistleblower will be kept informed of progress. However, it may not be possible, due to the confidential nature, to provide specific details of the investigation or actions taken.

Staff who raise concerns or report any wrongdoing or refuse to accept or offer a bribe may be worried about repercussions. UK Sport will fully support anyone who raises concerns in good faith under this policy even if they turn out to be mistaken.

13. Conclusion

This policy is taken very seriously. Our reputation comes from the way we act. Anyone who is guilty of fraud, bribery or corruption in any form will be subject to disciplinary action, which may result in suspension and/or termination of their employment.

If you believe that you have suffered detrimental treatment as a result of refusing to take part in bribery or corruption or because of reporting in good faith, you should inform the CEO / COO / Chair as you feel appropriate.

If you have any questions on this policy, please contact the HR & Development, Finance or Legal Teams.

Appendix 1 - Areas of specific risk

Certain areas of the business are often at higher risk than others. These include:

Activities arising from UK Sport's business

Because of the nature of UK Sport's work, members of staff such as performance advisers and event consultants, through their functions have legitimate reasons to attend sport events. Likewise because of the connections within the sports industry, staff may be invited to events. Overtime there remains a risk this could influence decision making or be perceived as so and may compromise staff in their role. Although individual invitations may, depending on the circumstances, be acceptable, it would not be acceptable for such invitations to be extended to friends and family.

Acting outside of delegated authority limits by budget holders

UK Sport has an internal control on who and at what level decisions are to be taken for the expenditure of public monies (i.e. limits set out in the Delegated Authority Policy, Travel & Expenses Policy, Procurement Policy and Framework Document with DCMS) and where these are not adhered to by budget holders, it presents a risk to UK Sport. A further risk is for low value grants or contracts where, under the Delegated Authority Policy, there are sole approvers (e.g. contracts worth £10,000 or less can be awarded directly without any competition provided there is value for money).

Tenders and grants

As a major grant distributor and contract letter, these activities present opportunities to those who would like to benefit from UK Sport's grants or contracts and wishing to obtain an advantage in the process of applying for grants or bidding for contracts. Our grant and contract letting process must be followed and all board and committee members, employees, staff and workers should not accept any offers of gifts, hospitality or expenses during such processes. Staff or contractors responsible on our behalf, who manage monitoring, reviews and compliance with grants and contracts, may be bribed to 'turn a blind eye' to performance issues.

The greatest areas of fraud risk in the UK Sport grants process are performance monitoring, i.e. ensuring the grant awarded is not deliberately misused or redirected to other purposes; and payments, where strong controls are needed, for example around the management of bank details. Due diligence on grant applicants through the Code of Governance minimises the risk of fraudulent representation at the application stage. Staff or contractors involved in the management of grants processes are expected to be diligent in their monitoring of fraud risk; to follow agreed procedures and control mechanisms at all times; and to be pro-active at communicating UK Sport's stance on fraud to grant applicants and recipients.

Commercial partnerships

UK Sport's commercial activities will rely on the use of agents who may formally represent UK Sport in negotiations with manufacturers of supply of goods and services, sponsors and merchandisers whose pay may be dependent on commissions on sales. This could increase the risk of facilitation payments being made or gifts, hospitality and expenses to be used by such agents to gain a business advantage for UK Sport and securing their own financial gain. Anyone who deals with agents who act on our behalf must familiarise themselves with this policy and adhere to it and specific contract conditions will need to be inserted into the agreement. All contracts appointing agents to act on behalf of UK Sport must be reviewed by the Legal Team.

Use of agencies, intermediaries

UK Sport does use authorised recruitment agents, surveyors, insurance brokers, lawyers and accountants etc. to conduct business on its behalf, and there is a risk that these third parties may give or receive bribes when conducting UK Sport business.

Relationships with public foreign officials, International Organisations (including international sports federations/organisations, international regulators, UN, EU, etc.)

UK Sport has various relations with international organisations and their officials arising from its work across its teams. However, these relationships may present a risk under the Bribery Act 2010 in how we conduct business with them:

- Support and investment to NGBs and dialogue with officials from their international federation on key matters concerning the sport may contribute towards candidates from NGBs who wish to be appointed to positions at the international federations to present gifts and hospitality. The use of gifts and hospitality extended to officials from the international federations could fall with the Bribery Act 2010. Although not acting as agent of UK Sport, there is a reputational risk if there is wrongdoing by NGBs in their interactions with the international federations. This may or not involve UK Sport's investment being used inappropriately. The provision of gifts and hospitality should follow the UK Sport Funding: NGB Travel and Expenses Guidelines.
- Support and investment to NGBs who wish to bid for a major event may be tempted to use an element of this investment to pay for the international federation's delegates visit to the UK and associated hosting cost for officials and delegates from the international federation. During a bid process, hosting presents a risk of being deemed as a bribe i.e. if lavish and extravagant, it could seek/be perceived to seek to influence the decision of the officials and delegates relating to the visit. If investment from UK Sport is to be used for such purposes it must comply with UK Sport Funding: NGB Travel and Expenses Guidelines. It will be the Lead Event Consultant's responsibility to point out the specific thresholds that apply as set out in the Gifts and Hospitality Policy (see Appendix 2 of that policy) and the Travel and Expenses Policy (these limits apply even where UK Sport is contributing towards such costs as part of a collaboration with other parties). All costs being funded by UK Sport must be

towards those who attend on official business (i.e. not their family and friends or to combine with their own personal and social activities during their visit).

- Due to the multi-stakeholder collaboration required to bid for a major event and where stakeholders are not agents of UK Sport, they represent a reputation risk to the bid and to UK Sport if they bribe during the bidding process.
- Gifts and hospitality to foreign public officials whilst overseas could be regarded as lavish and extravagant when set against local standards of living and wealth and thus may be perceived as bribes which are a specific offence under the Bribery Act 2010. Reference is drawn to paragraph 5 of this policy and UK Sport's Gifts and Hospitality Policy.

Sports Betting

Legal and illegal betting on sports poses a risk to the integrity of sport through corrupt betting and associated activity from within and outside UK Sport. With smart phones, tablet devices, access to the internet and online gambling sites etc. makes it easier to place bets on the outcome or on certain aspect(s) of the game. As a high performance sports agency, it is in a position of influence and is privy to information that could be used for private gain particularly through betting. This applies to employees, staff and workers and those appointed to represent UK Sport. Sports betting activity has increased across all sports and disciplines. It is essential that such activity does not take place in a manner which has the potential to compromise the authenticity of sporting conduct and endeavour and the irregularity of results.

1. If you are "Directly Involved" ("Directly Involved" means working with a funded or supported sport as a representative of UK Sport) with a sport you cannot:

- bet on the sport, anywhere in the world;
- ask someone to bet on your behalf on the sport anywhere in the world;
- share any "Inside Information" with anyone including but not limited to your partner, civil partner, spouse, cohabitee or dependent children which could enable them to gain an advantage through corrupt betting activity (See section 4 below (Inside Information) for further information);
- become involved in any other activity associated with corrupt betting which could reasonably be deemed as suspicious and detrimental to the image and reputation of UK Sport and the sport.

2. The following acts are also prohibited:

- fixing a match or attempting to fix a match;
- benefiting from a participant failing to perform;
- soliciting, inducing, encouraging, offering a bribe (or attempting to) any other party to do any of the above offences;
- receiving, seeking a bribe (or attempting to) in order to fix a match or attempt to fix a match;
- destruction of evidence in relation to a potential breach; and
- failing to report suspicions or approaches or disclosure of information.

3. Criminal offence of cheating - section 42 of the Gambling Act 2005

Section 42 of The Gambling Act 2005 created an offence of “cheating at gambling” which would include cheating in sports influenced by betting involvement. This may result in the imposition of severe penalties (fines and jail) for individuals. We may refer any matter to the Gambling Commission for consideration of an investigation for the criminal offence of cheating at gambling.

4. “Inside Information”

The sharing of “Inside Information” by anyone captured by this policy is specifically prohibited by UK Sport.

- “Inside Information” means any information, which is not Publically Known that would materially affect peoples’ expectations relating to the participation in, or the likely or actual outcome of a sporting competition or event. Such information includes, but is not limited to, factual information regarding the competitors, the conditions, tactical considerations, injuries, or any other aspect of the sporting competition or event.
- “Publically Known” means any information that is already published as a matter of public record, able to be readily acquired by an interested member of the public, or disclosed according to the rules and regulations governing the relevant sporting competition or event.

It is your responsibility to determine whether information which you have access to falls under the definition of “Inside information”. You are advised to err on the side of caution. You should also seek advice from your Line Manager or the Legal Team.

Visits to the UK by overseas officials (international sport federations/organisations, governments, bodies etc.)

Hosting overseas officials where in furtherance of UK Sport’s business is an opportunity to influence any obligations of objectivity or impartiality that the visitor may be under. All travel and expenses must be made in accordance with the Travel and Expenses Policy and the Gifts and Hospitality Policy. Any limits that will be exceeded need express authority from the Finance Director or the Chief Executive.

Local circumstances (Overseas)

We understand that different parts of the world have different social and cultural customs. This does not affect our stand that we do not pay or accept bribes or act corruptly: we do not and will not. However, subject to that position, we understand the need to be sensitive to local customs. For example, there are cultures in which refusing (or even failing to offer) a gift is considered impolite, and could alienate a key contact. In such cases, please refer to the Gifts and Hospitality Policy.

Gifts and hospitality

This is covered separately in UK Sport's Gifts and Hospitality Policy. Please familiarise yourself with this.

Facilitation payments

These are also known as 'grease' payments. Usually they are small amounts paid to officials to provide goods or services to which we are already entitled, e.g. speeding up the grant of a licence or permit, delivering goods which we have ordered and paid for, granting visas or visa extensions. In some cases they may be larger, e.g. a significant amount is demanded to complete a project.

Facilitation payments are common in many countries, particularly those where public officials are poorly paid. You may be told that this is normal practice and that we will be disadvantaged unless we do the same. However, such payments are illegal under the Bribery Act 2010 and may be illegal in the country that is being visited. In a sporting context this could occur when attending major international competitions, sport congresses, conferences and other events. The scope of officials this could extend to is quite wide: local authority, regulatory, law enforcement, border, international federations and games officials. Whatever the size of the facilitation payment, we do not offer or pay them. If you are faced with a request, or a demand for such a payment, please contact your host (if you have one), Line manager, the Head HR & Development or Legal team immediately.

Political contributions

You should be aware that such contributions can be (or be seen as) bribes in disguise. As a public body we are forbidden from making donations to political parties. Whilst board and committee members, directors, employees, staff or workers may, of course, make political donations in a personal capacity please be sensitive to how such contributions could be perceived, especially by those who are aware of your connection with UK Sport.

Charitable donations

Bribes may even be disguised as charitable donations. No individual is to make a donation stated to be, or which could be taken to be, on our behalf without the prior approval of the Board. Again, for that reason, donations we make are approved by within delegated authority limits and if required by resolution of the Board and recorded. Whilst individuals may of course make personal donations to charity, they should not do so on behalf of UK Sport without prior approval from the Board