



Centre for Economic  
Policy Research

Research Excellence, Policy Relevance

Centre for Economic Policy Research  
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## **FRAUD, BRIBERY AND CORRUPTION POLICY FOR THE CENTRE FOR ECONOMIC POLICY RESEARCH (“THE CENTRE” or “CEPR”)**

**This policy applies to CEPR’s President and Board of Trustees, Research Director, Policy Director and CEO and all other staff and any researchers using their CEPR affiliation to participate in externally-funded research projects.**

The Centre’s policy is that:

- There will be maximum deterrence of fraud.
- Fraud which cannot be deterred will be prevented.
- There will be prompt detection of fraud which cannot be prevented.
- There will be professional investigation of detected fraud.
- Effective sanctions will be taken against people committing fraud.
- Redress will be sought in respect of money defrauded.
- Its staff, Trustees and affiliated researchers will conduct any business through the Centre in an honest and ethical manner while maintaining its independent, non-partisan stance
- There is a zero-tolerance approach to bribery and corruption and all staff, Trustees and affiliated researchers are committed to acting professionally, fairly and with integrity in any business dealings and relationships pursued on the Centre’s behalf
- All laws will be upheld relevant to countering bribery and corruption
- It recognises that its staff, Trustees and affiliated researchers remain bound by the laws of the UK, including the Bribery Act 2010, in respect of any activities they may undertake on the Centre’s behalf whether within the UK, the European Union and in the rest of the world.

## **FRAUD, BRIBERY AND CORRUPTION POLICY STATEMENT**

### **Introduction**

The Centre requires all staff at all times to act honestly and with integrity and to safeguard the resources for which they are responsible. The Centre’s policy is that:

- any level of fraud or corruption in or against the Centre will not be tolerated;
- every attempt will be made to deter and prevent fraud;
- opportunities for fraud, bribery and corruption will be reduced to the lowest possible level of risk;
- staff will be made aware of the obligation to report suspicions of fraud;
- mechanisms will be in place for staff to report fraud;

- any suspicion of fraud will be thoroughly investigated and dealt with appropriately;
- any evidence of criminal activity will be reported to the Police; and
- mechanisms will be in place for seeking redress in respect of money defrauded.

The Centre also expects that individual researchers affiliated to other organisations (e.g. universities and/or research institutions as well as any suppliers, contractors and service providers) that it interacts with will act towards the Centre with integrity and without thought or actions involving fraud. Where relevant the Centre will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption; evidence of such acts is likely to lead to a termination of the particular contract or termination of an individual's affiliation to the Centre and may lead to prosecution.

### **What is fraud?**

The Fraud Act 2006 created a new general offence of fraud with three possible ways of committing it.

- Fraud by false representation, i.e. if an individual dishonestly makes a false representation and intends by making the representation to make gain for himself or another, or to cause loss to another or expose another to risk of loss;
- Fraud by failing to disclose information, i.e. if an individual dishonestly fails to disclose to another person information which he is under a legal duty to disclose and intends, by means of abuse of that position, to make a gain for himself or another, or to cause loss to another or expose another to risk of loss; and
- Fraud by abuse of position, i.e. if an individual occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person, and he dishonestly abuses that position, and intends, by means of the abuse of that position, to make a gain for himself or another, or to cause loss to another or expose another to a risk of loss.

### **Avenues for reporting fraud**

The Centre provides staff with ways in which they may report any suspicions of fraud. Staff and individual researchers should report such suspicions to the CEO; whereas any Trustee or other Director shall be expected to raise any issue directly with the Chair of the Board of Trustees or the President of the Centre.

All matters will be dealt with in confidence and in strict accordance with UK legislation in order that the legitimate personal interests of staff are upheld and protected. Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported.

### **What is bribery?**

A bribe is an inducement or reward offered, promised or provided in order to gain any improper commercial, contractual, regulatory or personal advantage.

It is an offence for a person to offer, promise or give a financial or other advantage to another person in one of two cases:

- Where the person intends the advantage to bring about the improper performance by another person of a relevant function or activity or to reward such improper performance;
- Where the person knows or believes that the acceptance of the advantage offered, promised or given in itself constitutes the improper performance of a relevant function or activity.

Before any worker offers or accepts any inducement or reward to or from any supplier or customer he or she should ask him or herself:

- Whether the person receiving the benefit would be happy for his/her employers and/or shareholders/trustees/governors to have knowledge of the arrangements; and
- Whether the interests of the person receiving the benefit are, as a result of so receiving, in conflict with the interests of the organisation that he or she represents or works for; and
- Whether a reasonable person having knowledge of the arrangements would consider that the benefit was offered or provided to induce a person towards improper conduct such as committing a breach of trust or acting in bad faith or showing bias when there is a duty to be impartial.

If the person receiving the benefit would rather keep the arrangements secret from his or her employer, and/or his or her interests have diverged from his or her employers and/or an ordinary reasonable person would consider the benefit given or received as inducement or reward for improper conduct – then the activity is likely to amount to a bribe.

### **Gifts, hospitality and gratuities**

Staff in the course of providing services to clients, or in their dealings with suppliers on the Centre's behalf should, under no circumstances, accept in a personal capacity any money, gifts or other forms of reward.

Staff must immediately report in writing to the CEO any offer by clients, suppliers, distributors and other such persons having a similar connection with the Centre any offer of gifts or services. Staff must not accept or agree to accept such offers without prior agreement from the CEO. This applies to any gifts or services directly or indirectly from any person, firm or charity with whom the Centre conducts business or may conduct business.

The giving or receipt of gifts to individuals is not prohibited, if the following requirements are met:

- It is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- It complies with local law;
- It is only given in the Centre's name;
- It does not include cash or a cash equivalent (such as gift certificates or vouchers);
- It is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time;
- Taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- It is given in good faith, openly and not secretly; and
- Gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the CEO.

We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

### **What is not acceptable?**

It is not acceptable for you (or someone on your behalf) to:

- Give, promise to give, or offer, a payment, gift or hospitality to an individual with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- Give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- Accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- Engage in any activity that might lead to a breach of this policy.

### **CEPR's Fraud and Corruption Response Plan**

The Centre has a Fraud Response Plan that sets out, for example, how to report suspicions of fraud, how the fraud will be investigated and by whom, what experts to contact for advice. The Plan forms part of the Centre's anti-fraud policy.

### **Measures to minimise the risk of fraud**

In order to maintain CEPR's high standards, procedures and controls have been established to provide an environment which will minimise the opportunity for fraud. These procedures and controls help CEPR conduct its business in a manner beyond reproach. They establish the rules to which directors, affiliated researchers and employees must adhere and are supported, as necessary, by detailed procedure manuals that have been prepared for the key functions of CEPR.

It is the responsibility of Directors and Managers to operate internal systems to ensure that high standards are applied and brought to the attention of their employees. Procedures are operated throughout CEPR to ensure:

- an adequate separation of duties (more than one employee is involved in key tasks);
- proper authorisation procedures (transactions must be approved);
- independent monitoring and checking of data and documentation (checks and balances)
- compliance with the financial and auditing regulations of any external party providing financial assistance for a project .

CEPR has a rigorous audit process which monitors compliance with regulations and undertakes a rolling programme of checks to detect, deter and prevent fraud and corruption. The work closely with Managers, monitoring their systems and procedures, to ensure that they are fully operated and remain appropriate.

### **Procedures when a Fraud is suspected**

CEPR requires suspected irregularities to be referred to the CEO in the first instance. All reported irregularities will be thoroughly investigated. The normal sequence of events, should an irregularity be suspected, will be as follows:

- If employees suspect an irregularity has occurred, or is likely to occur, they should normally report this to their line Manager who will in turn inform the CEO (unless the concerns relate to that officer, in which case employees should have regard to the alternative mechanisms outlined below).
- Should preliminary investigations suggest the suspicion is reasonable, the CEO should be informed, without delay.
- If the suspicions stem from an audit including that of an externally-funded project, the Chief Finance Officer will inform the CEO.
- Any external party providing funding to or collaborating with CEPR in any other capacity will be encouraged to raise concerns directly with the CEO.
- Where further investigations indicate an offence may have occurred, the CEO will consult with the President, both of whom may choose to escalate the investigation and submit it to the Board of Trustees. This will normally result in a decision to handle the matter according to CEPR's Disciplinary Procedures and to involve the Police.
- Where financial impropriety is suspected, the grant awarding body responsible for the funding of the activity will be informed; for any other instances, the Police will normally be informed.

### **Procedures when bribery and other forms of corruption are suspected**

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all CEPR staff, Trustees and any researchers using their affiliation to CEPR for externally-funded activities. All are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify the CEO as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a pecuniary or commercial advantage with CEPR, or indicates to you that a gift or payment is required to secure their services or assistance.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. CEPR reserves its right to terminate the contract of employment of any employee in breach of this policy.

### **Record keeping**

All employees must keep financial records and CEPR has appropriate internal controls in place which will provide evidence for making payments to or any other dealings with third parties. Employees and any Trustees and researchers using their CEPR affiliation in any capacity must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to review by the CEO. Employees must also ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with CEPR's expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

### **How to raise a concern**

Employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. In the event that an employee is unsure whether a particular act constitutes bribery or corruption, these should be raised with the CEO.

### **What to do if you are a victim of bribery or corruption**

It is important that employees, and any Trustees and researchers using their CEPR affiliation in any capacity must inform the CEO as soon as possible if they are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that they are a victim of another form of unlawful activity.

### **Mechanisms for Employees to Voice Concerns**

Employees are vital to the successful implementation of measures against fraud. CEPR, therefore, encourages employees to report any concerns they have, without fear of being penalised. Normally, employees should raise such concerns with their line Managers, who have a responsibility to investigate and keep their CEO fully informed. However, other routes are available and employees are free to discuss the matter with any of the following:

- the President;
- the CEO;
- the Chair of the Board of Trustees.

All concerns reported will be treated in confidence and fully investigated. If anonymity is requested, every effort will be made to ensure such confidentiality.

The Manager (or CEO) to whom the concerns are expressed will take prompt action and the employee will be notified quickly of any action taken. Where action is not considered appropriate, the employee will also be given a prompt and thorough explanation of the reasons for this. In the event of a disagreement, the employee will be advised how to pursue the matter formally.

Employees should be aware that, if a suspicion is reported and results in a prosecution or disciplinary hearing, their involvement as a witness in those processes may be necessary, unless other substantial reliable evidence is available.

There is also a need to ensure that the investigative process is not misused. Therefore any abuse, such as raising unfounded or malicious allegations, may be dealt with as a disciplinary matter in itself. This should not deter employees from raising genuine concerns (even if subsequently unfounded but made with good intent), as, in so doing, they will be supported in every possible way.

### **Review of Fraud and Corruption Response Plan**

The Plan will be reviewed annually or following an incident of fraud or corruption, to ensure that it reflects changes, which may be necessary to strengthen future responses to fraud. Changes to the Fraud and Corruption Response Plan will be the responsibility of the Centre.

## **Monitoring and Review**

The CEO will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

This policy does not form part of any employee's contract of employment and it may be amended at any time.

## **Associated issues for staff consideration**

### ***Betting, gambling, touting and money lending***

Staff are strictly prohibited from betting, gambling, selling goods, touting and lending money on the Centre's premises. Any breach of this rule will render the individual subject to disciplinary action up to and including dismissal.

### ***Statements to the press***

Under no circumstances may employees make any statement or comment to the press or media on matters which involve the Centre without the express approval of the CEO.