

Fraud and anti-bribery policy

GPHC0077 Version 1.0

This policy sets out the General Pharmaceutical Council's approach to managing suspected incidents of fraud and bribery, detailing lines of responsibility and protocols if fraud or bribery is suspected.



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Introduction

The General Pharmaceutical Council (GPhC) will not tolerate fraud, bribery or corruption of any description and will take robust action to prevent, deter and detect it. We are committed to protecting our assets and promoting honesty, integrity, and fairness in how we conduct our activities as the independent statutory regulator of pharmacy in Great Britain.

All Council members, Associates and Partners, staff and third parties working on behalf of the GPhC are expected to adopt the highest standards of propriety and accountability, to safeguard the resources for which they are responsible, and to play a key role in promoting an anti-fraud culture, in line with our values and the law.

The GPhC will take all reports of suspected or actual fraud seriously and investigate all concerns promptly, appropriately and proportionately. The form of action taken will depend on the level and circumstances of the suspected fraud and may include disciplinary

action such as dismissal and/or criminal prosecution. We will consider referral to external law enforcement agencies such as the Police or the Serious Fraud Office.

Where a Council member is involved, this could lead to referral to the Privy Council in line with our removal and suspension procedures.

Purpose

To ensure a consistent and sound approach is in place to both prevent fraud and bribery and to ensure a response limiting the impact is in place within the organisation.

Scope

This policy applies to all Council members, Associates and Partners and staff, whether permanent or temporary and to third parties working on behalf of the GPhC.

Definitions

Definition of fraud

For the purposes of this policy, fraud is defined as the use of deception to deprive, disadvantage or cause loss to another person or party. This can include theft, the misuse of funds or other resources, or more complex crimes such as false accounting and the supply of false information.

The Fraud Act 2006 introduced three main offences. They are as follows:

- fraud by false representation - e.g. knowingly including false information a CV to obtain employment
- fraud by abuse of position - e.g., finance manager uses their position to siphon off funds.
- fraud by failing to disclose information - e.g., not declaring an unspent criminal conviction in order to obtain employment.

Other examples of fraud that might occur at the GPhC would include:

- falsification of expense claims
- cyber or digital fraud, such as deliberately enabling a phishing exercise
- theft of cash or other company assets or stock
- falsification of invoices for payment
- failure to account for monies or invoices paid
- dealing inappropriately with registration applications or procedures, inspections or fitness to practise investigations or proceedings that involve friends, family members or a person with whom there is a close personal and/or professional interest.

An individual who commits fraud will face disciplinary action, civil action and/or criminal prosecution. If found guilty of fraud in a criminal court, an individual may receive a custodial sentence of up to ten years. Registered professionals may also be referred to their regulatory body and could face disciplinary action, such as suspension or removal from the register. Attempted fraud will be treated as seriously as accomplished fraud.

Definition of bribery

Bribery is a financial or other advantage that is intended to induce "improper performance" of a position of trust or a function that is expected to be performed impartially or in good faith. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift (i.e. lavish treatment during a business trip or tickets to an event).

Bribery does not always result in a loss. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another.

The Bribery Act 2010 provides for four main offences:

- giving or offering a bribe
- receiving or requesting a bribe
- bribing a foreign public official (also known as facilitation payments)
- negligently failing to prevent a bribe (corporate offence).

Under the Bribery Act, an offence has been committed even if no money or goods have been exchanged and a bribe has no minimum value.

All staff must therefore ensure that they comply with the GPhC's policy on declaring gifts and hospitality offered to them in the course of their work.

Individuals who commit bribery involving the GPhC may face criminal prosecution, civil action, disciplinary action and/or registration sanctions such as removal or suspension (if the individual is a registered professional). If found guilty of bribery, the individual may receive a custodial sentence of up to ten years and a fine.

Definition of corruption

We define corruption as the abuse of entrusted power for private gain. Bribery is typically a subset of corruption, but such an abuse may come in many different forms, such as giving an unfair advantage to a known business or person in a procurement exercise.

An individual suspected of corruption will be investigated in line with the appropriate procedures and could face disciplinary action, civil action and/or criminal prosecution where appropriate.

Responsibilities

Senior Leadership Group and Council

To ensure that individuals within each directorate are aware of their responsibilities in relation to reporting suspected fraud and bribery.

Director of Adjudication and Financial Services

To receive reports of suspected fraud or bribery and enact the relevant response plan.

Staff, Associates, Partners and Contractors

To report any suspicious activity that may amount to fraud or bribery to their manager (if appropriate) or directly to the Director of Adjudication and Financial Services or Associate Director of Human Resources.

Policy

Prevention of fraud

The GPhC operates within a framework which encompasses our legal and reporting requirements, codes of conduct and systems and procedures, including Financial Regulations, the Scheme of Delegation and Authority Framework, and the Procurement policy which governs the purchase of supplies, services and works. Taken as a whole the framework works to prevent fraud and corruption and to enhance accountability. We require all Council members, Associates and Partners, staff and third parties working on our behalf to act in accordance with the framework.

The GPhC has systems and procedures that incorporate robust internal controls designed to minimise the risk of fraud occurring. Managers are required to identify the risks to which systems are exposed (including the risk of fraud), to develop and maintain controls to mitigate and manage the risks and to ensure that such controls are properly complied with. The Corporate Operational Risk Register identifies the risk of fraud, together with the mitigating actions in place to minimise the risk of fraud occurring. The Internal Audit service reviews the adequacy and effectiveness of internal controls, as part of their annual audit programme, to provide assurance to managers and the Audit and Risk Committee.

Key fraud and bribery prevention measures include:

- Standing Financial Instructions
- Delegation of authority
- Recruitment screening

- Codes of conduct
- Organisational values
- The Seven Principles of Public Life ('the Nolan Principles')
- Gifts and hospitality policy
- Conflicts of Interest policy
- Procurement policy
- Raising concerns policy.

Reporting fraud

- The GPhC expects Council members, Associates and Partners, staff and third parties working on our behalf to be vigilant and report incidents of suspected fraud, bribery and corruption without delay to prevent or minimise loss and harm.
- In the first instance, staff should normally raise their concern with their line manager. If the concern relates to a line manager, then staff should raise it with their director or, if it relates to the director, the concern should be raised with the Chief Executive. If the issue concerns the Chief Executive the concern should be raised with the Chair of Council. If the concern relates to the Chair of Council, the matter should be raised with the Chair of the Audit and Risk Committee. If the concern relates to the Chair of Audit and Risk Committee, it should be reported to the Chair of Council.
- Where staff have concerns about approaching their own line manager, they may instead contact the Director of Adjudication and Financial Services or Director of Intelligence, Insight and Inspection in line with the Raising Concerns Policy.

All incidents of fraud will be reported to our external auditor/s.

Council members, Associates and Partners reporting fraud

Council members, Associates and Partners are encouraged and expected to raise any concerns they may have and should normally report them to the Chair of Council, Chief Executive, or (in the case of Associates and Partners,) the relevant director.

If the issue concerns the Chief Executive or another Council member, the concern should be raised with the Chair of Council or with the Chair of the Audit and Risk Committee if it concerns the Chair of Council.

Third parties reporting fraud

Third parties, including the general public, can report concerns through the GPhC corporate complaints procedure or the GPhC Contact Centre. They can also report concerns direct to GPhC members or staff, who will escalate the concern in line with the Fraud and Anti-Bribery policy.

In the event that person feels unable to raise their concerns directly with the GPhC, they may contact Action Fraud (<https://www.actionfraud.police.uk>).

Response to fraud, bribery or corruption

When a concern about fraud, bribery or corruption is received, it will be reviewed by the Director of Adjudication and Financial Services, who will decide what action to take. If the matter concerns the

Director of Adjudications and Financial Services, or the functions for which they are responsible, the concern will be reviewed by the Chief Executive and Registrar who will determine what action to take. If the referral concerns the Chief Executive and Registrar, then the concern will be reviewed by the Chair of the Audit and Risk Committee who will decide what action to take.

Where it is necessary, appropriate and proportionate to commission an investigation, a suitably qualified and experienced individual will be appointed to conduct the investigation. We may appoint an external specialist investigator. The investigator will be expected to produce a report for the Director of Adjudications and Financial Services, or other decision maker as set out in the paragraph above. Matters of a criminal nature will be reported to the Police or other law enforcement agency as appropriate. We will also notify other relevant agencies, such as employers and the NHS Protect, as appropriate.

Recovery action

We will make all proportionate efforts to recover any loss, asset and/or benefit which has been obtained through a fraudulent act. Where possible and proportionate, we will seek to recover losses through the civil or criminal courts, in line with advice from our legal team, including tracing and/or freezing a person's assets through the court, pending conclusion of the investigation

During an investigation, an individual may offer to repay the amount that has been obtained improperly. The investigating officer must not solicit or accept such an offer, as it may be construed as having been obtained under duress. Any offer should be recorded and referred to the Director of Adjudication and Financial Services (or other decision maker as set out above) who will determine whether it is appropriate in the circumstances to agree a formal payment arrangement with the individual concerned for any losses to be repaid to the GPhC. A payment arrangement will not be appropriate if it could prejudice any ongoing investigation. Where a payment arrangement is authorised, this will not prevent the GPhC from taking any additional action deemed appropriate in respect of the fraudulent act(s).

Training requirements

The GPhC recognises that the success of this anti-fraud and anti-bribery policy depends, to a large extent, on all Council members, associates and partners, staff and third parties working on our behalf being aware of the GPhC's approach to fraud, bribery and corruption.

Details of our Fraud and Anti-Bribery Policy and Fraud Response plan are published on SharePoint. In addition, mandatory fraud training will be provided to all staff within six months of commencing employment with the GPhC.

Monitoring and compliance

The Audit and Risk Committee is responsible for reviewing the arrangements in place by which staff may raise concerns about possible improprieties. As part of this, the Audit and Risk Committee will approve the Anti-Fraud and Anti-Bribery policy and Fraud Response plan.

Any action taken by the GPhC in connection with suspected fraud, bribery or corruption will be reported to the Audit and Risk Committee.

References

Not applicable.

Associated documentation

- Raising concerns (whistleblowing) policy
- Procurement policy
- GPhC Gifts and Hospitality Policy

Appendices

Appendix 1 – seven principles of public life

Appendix 1 - Seven principles of public life

Underpinning the anti-fraud culture are the Seven Principles of Standards in Public Life. They were first set out by Lord Nolan in 1995. The principles apply equally to members, associates, staff and third parties working on our behalf and are:

- **Selflessness** - holders of public office should take decisions solely in terms of the public interest. They should not do so to gain financial or other material benefits for themselves, their families or friends.
- **Integrity** – holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their official duties.
- **Objectivity** – in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards or benefits, holders of public office should make choices on merit.
- **Accountability** – holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever public scrutiny is appropriate to their role.
- **Openness** – holders of public office should be as open as possible about all the decisions and actions they take. They should give clear reasons for their decisions and restrict information only when the wider public interest (or legislation) demands.
- **Honesty** – holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership** – holders of public office should promote and support these principles by leadership and example