

### DOCUMENT CONTROL

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<b>Approved By:</b>	Festival Audit and Risk Assurance Committee
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### VERSION HISTORY

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### DISTRIBUTION LIST

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Vikki Heywood	Festival 2022 Ltd	Non-Executive Chair, Festival Board
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## **1. INTRODUCTION**

Fraud, theft and Bribery, which includes corruption, is an ever-present threat to the public resources available to meet Festival 2022 Limited (Festival's) objectives. This must be a concern to all members of staff.

One of the key values of the Festival working style is that "We always demonstrate integrity". The Festival requires all staff, at all times, to act honestly and with integrity to safeguard the Festival's reputation and resources in our care. A crucial element of this is ensuring that we are collectively aware of and maintain a zero-tolerance approach to fraud.

The purpose of this document is to outline the Festival's Counter-Fraud Policy Statement.

This document must be read in conjunction with the Festival's Anti-Corruption, Bribery, Counter Fraud, Gifts & Gratuities Policy.

## **2. COUNTER-FRAUD POLICY STATEMENT**

### **Definitions of Fraud, Theft and Corruption**

Until the introduction of the Fraud Act of 2006, there was no precise legal definition of fraud. The term "fraud" is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes fraud may be defined as the use of deception with the intention of obtaining advantage, avoiding an obligation, or causing loss to another party.

### **Fraud Act 2006**

The Act creates a general offence of fraud and sets out three ways of committing fraud.

- By false representation;
- By failing to disclose information;
- By abuse of position.

The criminal act is the attempt to deceive, and attempted fraud is therefore treated as seriously as accomplished fraud.

### **Computer Misuse Act 1990**

Computer fraud is where information technology equipment has been used to manipulate programmes or data dishonestly (e.g. by altering, substituting or destroying records or creating spurious records), or where the use of an IT system was a material factor in the perpetration of fraud. Theft or fraudulent use of computer time and resources is included in this definition.

### **Personal Conduct**

The standards of conduct the Festival expects from its staff are contained in the Workplace Behaviour Policy and Disciplinary Action Policy. All employees of the Festival are expected to have exceptionally high standards of personal integrity and honesty. Festival employees must not only be honest in fact but must also not lay themselves open to suspicion of dishonesty, perception of a conflict of interest, and/or of impropriety.

All staff should follow the Festival's policy on Anti-Corruption, Counter Fraud, Bribery, Gifts and Gratuities and not accept gifts, hospitality or benefits of any kind from a third party that might be seen to compromise their integrity.

### **Avenues for Reporting Fraud**

The Festival has in place avenues for reporting suspicions of fraud. Staff should report such suspicions to their line managers, the Senior Finance Manager or the Senior Legal Counsel. All matters will be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure Act 1998. This statute protects the legitimate personal interest of staff. Thorough investigations will be carried out into all cases of actual or suspected fraud discovered or reported.

## **3. COMPANY-WIDE ROLES & RESPONSIBILITIES**

### **3.1 Every member of staff is responsible for:**

- acting with propriety in the use of official resources, and in the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with contractors and suppliers;
- conducting themselves in accordance with the workplace behaviour policy
- being alert to the possibility that unusual events or transactions could be indicators of fraud,
- reporting details immediately to their line manager if they suspect that a fraud or irregularity has been committed or see any suspicious acts or events, and
- cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

The Counter-Fraud Policy Statement should be read in conjunction with the Festival's Whistleblowing Policy.

### **3.2 Line managers are responsible for:**

- ensuring that an adequate system of internal controls exists within their areas of responsibility and that control operate as intended;
- identifying the risks to which systems and procedures are exposed; and
- assessing the types of risk involved in the operations for which they are responsible

Line managers can reduce the risk of fraud by ensuring the following:

- avoid undue reliance on certain individuals. This can be mitigated by reviewing job roles to ensure no one person is relied upon solely for a full financial process and adequate segregation of duties is in place;
- making sure that the necessary supervisory checks are carried out;
- ensuring there are internal controls in place;
- ensuring staff are adequately trained for the role they perform;
- ensuring only relevant staff have access to sensitive passwords and information

## **4. SPECIFIC RESPONSIBILITIES**

In addition to this collective responsibility placed on all members of staff, a number of teams and individuals have specific responsibilities for the management of systems of fraud control and investigation as follows:

### **4.1 Board of Directors**

The Board of Directors has overall responsibility for ensuring fraud polices comply with the Festival's legal and ethical obligations, and that all those under its control comply with it. The Board is also responsible for abiding by the polices in line with a Code of Practice for Board members.

The Board has appointed the OC Group Chief Financial Officer as the accountable individual at Board level who is responsible for counter fraud, bribery and corruption.

#### **4.2 Chief Legal Officer**

The Chief Legal Officer is the "risk owner" for fraud risks, is responsible for ensuring that the Festival's overall arrangements for managing the risk of fraud are appropriate and has delegated responsibilities for the functions as set out below. They should personally approve the direction of each fraud investigation and ensure that any lessons learned are translated into strengthened Festival controls.

#### **4.3 Audit and Risk Assurance Committee**

The ARAC's responsibilities include oversight of risk management, internal control and compliance.

#### **4.4 Chief Executive & Accounting Officer**

The Chief Executive & Accounting Officer (CEO) is responsible for ensuring that the Festival has sufficient procedures and processes in place which are aligned with the Festival's objectives and there is compliance with all relevant legislation.

The CEO will report any material losses to the Department of Digital, Culture, Media and Sport (DCMS), Cabinet Office, West Midlands Police and the National Audit Office.