



# **COUNTER FRAUD, ANTI BRIBERY AND CORRUPTION POLICY**

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# 1. Counter Fraud, Anti Bribery and Corruption Statement

*The Plymouth and South Devon (PASD) Freeport is committed to supporting government to uphold the highest standards of integrity and transparency in the delivery of Freeport benefits. We recognise our responsibility to support the Accountable Body (Plymouth City Council) in safeguarding public funds and ensure that all claims, contracts and operations are subject to rigorous scrutiny. Through proactive collaboration with HMRC and local authorities in their respective fraud oversight functions, we help maintain a robust counter-fraud, anti-bribery and corruption framework. This includes regular reviews of risk registers, clear governance protocols and a culture of accountability across all partners and stakeholders.*

## 2. Introduction

2.1. PASD Freeport's directors and employees play an important role in creating and maintaining a culture which requires everyone to always act honestly and with integrity and to safeguard the resources for which they are responsible. PASD Freeport's policy is that:

- any level of fraud, bribery or corruption in or against the Freeport 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;
- directors and employees will be made aware of their obligation to report suspicions of fraud;
- mechanisms will be in place for directors and employees 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 appropriate authorities; and mechanisms will be in place for seeking redress in respect of money defrauded.

2.2. PASD Freeport also expects that individuals and organisations (e.g. suppliers, contractors and service providers) that it interacts with will act towards PASD Freeport with integrity and without thought or actions involving fraud. Where relevant, PASD Freeport 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 and may lead to prosecution or other sanction.

## 3. What is Fraud?

3.1. There are several criminal offences that relate to what might commonly be termed as 'fraud' that are covered by the Theft Act 1968 and the Theft Act 1978. However, the Fraud Act 2006 created a new general offence of fraud with three definitions:

- Fraud by false representation, i.e. if an individual dishonestly makes a false representation and intends by making the representation to make gain for themselves 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 they are under a legal duty to disclose and intends, by means of abuse of that position, to make a gain for themselves 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 they are expected to safeguard, or not to act against, the financial interests of another person, and they dishonestly abuse that position, and intends, by means of the abuse of that position, to make a gain for themselves or another, or to cause loss to another or expose another to a risk of loss.

## 4. What is Bribery?

- 4.1. Broadly, the Bribery Act 2010 defines bribery as giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith.
- 4.2. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.
- 4.3. Some simple examples are:
  - Bribery to secure or keep a contract.
  - Bribery to secure an order.
  - Bribery to gain any advantage over a competitor.
  - Bribery of a local, national or foreign official to secure a contract.
  - Bribery to turn a blind eye to a health safety issue or poor performance or substitution of materials or false labour charges.
  - Bribery to falsify an inspection report or obtain a certificate.
- 4.4. Section 2 of the Bribery Act 2010 makes it an offence to accept a bribe.

## 5. What is Corruption?

- 5.1. Corruption is the abuse of entrusted power for private gain. It can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs.
- 5.2. 'Misconduct in a public office' is a common law offence and is committed when the holder of a public office acts, or omits to act, in a way contrary to their duty.

## 6. Avenues for Reporting Fraud, Bribery and Corruption

- 6.1. PASD Freeport has in place avenues for reporting suspicions of fraud, bribery and corruption. Employees, directors, members of the public, contractors and partners should report any concerns or suspicions to:

Plymouth and South Devon Freeport Limited

By email – [info@pasdfreeport.com](mailto:info@pasdfreeport.com)

In writing – Office 8, Endeavour House, 2 Vivid Approach, Plymouth, Devon, United Kingdom, PL1 4RW.

- 6.2. All matters will be treated seriously and dealt with in a professional manner. If you ask us to treat the matter in confidence, we will do our utmost to respect your request, but it is not possible to guarantee confidentiality. Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported.
- 6.3. PASD Freeport guarantees that any individual who reports suspected fraud, bribery or corruption in good faith will be protected from retaliation. Retaliatory actions, including dismissal, demotion, harassment or any form of victimisation, will not be tolerated and will result in disciplinary action. Support mechanisms, including confidential advice and counselling, will be available to whistleblowers.

## 7. Responsibilities

- 7.1. The PASD Freeport Chief Executive Officer is responsible for ensuring the proper arrangements for the Freeport's financial affairs and, together with the Chair of the Freeport Board of Directors, has overall responsibility for PASD Freeport's counter fraud, anti bribery and corruption policy and procedures, and for establishing and maintaining a sound system of internal control that supports the achievement of the Freeport's policies, aims and objectives.
- 7.2. The system of internal control is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.
- 7.3. Responsibilities include:
- making sure all staff are aware of this policy and know what their responsibilities are in relation to combating fraud;
  - designating a lead officer for fraud risk oversight and escalation;
  - providing targeted training to relevant Freeport personnel on fraud risk awareness and governance responsibilities;
  - implementing a Fraud Risk Management Response Plan (See Appendix A);
  - creating and maintaining a Fraud Risk Assessment, made up of a Freeport-wide Fraud Risk Map and Assurance Map (See Appendix B);
  - incorporating due diligence checks for businesses applying for Freeport benefits;
  - ensuring effective steps are taken at recruitment to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts;
  - ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected;
  - ensuring that appropriate legal and/ or disciplinary action is taken against perpetrators of fraud;
  - taking appropriate disciplinary action where supervisory/ managerial failures have contributed to the commission of fraud;
  - taking appropriate disciplinary action against staff who intentionally fail to report fraud;
  - taking appropriate action to recover assets;
  - ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.
- 7.4. The executive 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;
  - assessing the types of risk involved in the operations for which they are responsible;
  - reviewing and testing 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.

- 7.5. Every member of staff and Board director is responsible for:
- acting with propriety in the use of PASD Freeport's resources and the handling and use of funds whether they are involved with cash or payments systems, receipts or dealing with suppliers and or customers;
  - being alert to the possibility that unusual events or transactions could be indicators of fraud;
  - reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
  - complying with all PASD Freeport policies and procedures, particularly in respect of the conflict of interest and code of conduct policies.
  - cooperating fully with those conducting internal checks, reviews or fraud investigations.

# APPENDIX A – Fraud Risk Management Response Plan

## 1. Purpose

This plan provides a clear and practical approach for preventing, detecting and responding to fraud within the Plymouth and South Devon (PASD) Freeport company. It helps ensure honesty, protect our assets, and maintain the trust of customers, suppliers and partners.

## 2. Scope

This plan applies to:

- All employees, directors, contractors and anyone representing PASD Freeport.
- Any form of dishonest or fraudulent behaviour, including:
  - Theft or misuse of company assets or funds.
  - False expense claims.
  - Manipulation of financial records.
  - Misuse of company data or systems.
  - Bribery, corruption or conflicts of interest.

## 3. Objectives

This plan has four main objectives:

- i. Maintain a workplace culture based on integrity and accountability.
- ii. Identify and respond quickly to potential fraud.
- iii. Protect the PASD Freeport’s financial and reputational health.
- iv. Learn from incidents to strengthen internal controls.

## 4. Roles and Responsibilities

Role	Responsibilities
CEO	Has overall accountability of fraud risk, commissioning investigations and deciding on any disciplinary and/ or legal actions.
Operations Director	Has responsibility for conducting investigations and making recommendations to the CEO on the appropriate response action(s)
All Directors and Employees	Must act honestly, follow company policies and report any suspected fraud immediately.
Accountant	Ensures financial transactions are transparent, reconciled and supported by documentation.
Auditor	Provides independent advice or assistance in investigating complex or significant incidents.
Accountable Body	Provides access to accredited counter-fraud professionals when needed, including Devon Audit Partnership.

## 5. Reporting Suspicions

PASD Freeport has in place avenues for reporting suspicions of fraud, bribery and corruption. Employees, directors, members of the public, contractors and partners should report any concerns or suspicions to:

Plymouth and South Devon Freeport Limited  
By email – [info@pasdfreeport.com](mailto:info@pasdfreeport.com)  
In writing – Office 8, Endeavour House, 2 Vivid Approach, Plymouth, Devon, United Kingdom, PL1 4RW.

## 6. Response Procedure

### 6.1 Initial Assessment

1. CEO reviews the concern or evidence.
2. If the issue seems credible, a brief initial fact check is done (e.g., review records, confirm transactions).
3. Findings are documented (date, description and actions taken).

### 6.2 Investigation

1. CEO commissions the Operations Director to lead the investigation.
2. If needed, an external accountant, lawyer or fraud specialist may be consulted.
3. Evidence (e.g. receipts, files, emails) is gathered and secured.
4. Operations Director reports findings to CEO.

### 6.3 Decision and Action

Depending on the findings:

- If fraud is confirmed the CEO will:
  - Take appropriate disciplinary action.
  - Attempt to recover losses.
  - Report the incident to law enforcement if significant.
- If fraud is not confirmed the CEO will:
  - Close the case but record findings in the Fraud Log.
- Regardless of the findings the outcome of all fraud investigations will be reported to the PASD Freeport Board of Directors.

## 7. Communication

- Only the CEO may communicate with external parties (e.g., police, media, banks).
- Only essential information will be shared internally to maintain confidentiality and avoid speculation.

## 8. Recordkeeping

- Investigation documentation will be securely stored by the CEO for at least 5 years.
- Access to records will be strictly limited.

## 9. Prevention and Controls

- Reconciliation: Bank statements and accounts are reviewed monthly by the CEO.
- Expense verification: All business expenses must have receipts and approval.

- Supplier payments: Only pre-approved vendors are used, and invoices are verified before payment. PASD Freeport undertake robust due diligence procedures for all suppliers, contractors and partners. This includes verifying ownership structures, financial stability and compliance with anti-bribery and corruption standards. Ongoing monitoring and periodic reviews of third-party relationships will be conducted to ensure continued compliance.
- Access control: Financial systems and data are password-protected and accessible only to authorised staff. Continuous monitoring of key financial and operational controls will be implemented using automated tools where possible. Independent audits of fraud risk management processes will be conducted every 3 years or if there is a material change in Government policy towards Freeports by accredited professionals, with findings reported to the Board.

## **10. Training and Awareness**

- All employees will receive fraud awareness training tailored to their roles.
- Any Director and/ or staff assessed to be working in high-risk roles will receive enhanced training on fraud detection and reporting obligations.

## **11. Review and Continuous Improvement**

- The Operations Director will review this plan once a year or after any incident.
- Any lessons learned will be used to update procedures and strengthen controls.

# APPENDIX B – Fraud Risk Assessment

The Fraud Risk Map and Assurance Map will be reviewed annually or if there is a material change in Government policy towards Freeports and updated to reflect emerging risks. Findings from these reviews will directly inform control improvements and strategic decision-making. A summary of any changes will be reported to the Board and communicated to relevant staff.

**Note:** Rows shaded in grey indicate risks that may not currently be relevant due to the current stage of the Freeport delivery programme but may become applicable as operations progress.

PASD Freeport Fraud Risk Map – August 2025						
Risk ID	Fraud Risk	Description	Responsible Stakeholders	Current Controls	Residual Risk Level	Mitigation Actions
FR001	Seed Capital / Public Fund Misuse	Misappropriation or diversion of the £25m seed capital for non-eligible purposes.	Accountable Body / LAs	Business case approvals, Seed Capital Risk Register, Accountable Body oversight.	Medium	Regular audits, financial monitoring, project milestone verification.
FR002	False Tax Relief Claims	Businesses may submit inaccurate claims for SDLT, NICs, ECAs, or SBAs.	Private Businesses / HMRC	HMRC oversight, documentation requirements, audit rights.	High	Spot checks, automated flagging of anomalies, training for claimants.
FR003	Customs Site Misrepresentation	Businesses may falsely claim customs benefits without meeting operational standards.	HMRC / Freeport Company	HMRC authorisation, site inspections, inventory controls.	Medium	Enhanced vetting, periodic compliance reviews, whistleblower channels.
FR004	Procurement Fraud	Collusion or overcharging in infrastructure contracts (e.g. roads, buildings).	Local Authorities	Local authority procurement rules, governance oversight.	Medium	Independent procurement audits, conflict of interest declarations.
FR005	Tenant Misrepresentation	Businesses may misrepresent job creation, sustainability, or sector alignment.	Private Business / HMRC / Freeport Company	Gateway Policy, compliance agreements, due diligence.	Medium	Post-occupancy reviews, performance-linked incentives.
FR006	Insider Risk	Misuse of insider knowledge or conflicts of interest in decision-making.	Freeport Company / LA's	Governance structure, Nolan principles, FOI transparency.	Low	Ethics training, board member rotation, internal whistleblowing.
FR007	Data Manipulation or Reporting Fraud	Falsification of progress reports or impact metrics.	Freeport Company / LA's	Board scrutiny, Advisory Boards, stakeholder engagement.	Medium	Independent validation, dashboard transparency, data integrity checks.

Three Lines Model – PASD Freeport Fraud Risk Assurance Map - August 2025				
Risk ID	Fraud Risk	1st Line – Operational Management	2nd Line – Oversight & Compliance	3rd Line – Independent Assurance
FR001	Seed Capital Misuse	Project managers and delivery teams monitor spend and progress.	Accountable Body oversight; Seed Capital Risk Register.	Internal audit of capital projects; external audit by Government.
FR002	False Tax Relief Claims	Businesses submit claims with supporting documentation.	HMRC monitors and audits; Freeport team reviews eligibility.	HMRC audit; external tax compliance reviews.
FR003	Customs Site Misrepresentation	Businesses apply for customs site status and operate under HMRC rules.	HMRC authorisation and site inspections.	Border Force inspections; HMRC compliance audits.
FR004	Procurement Fraud	Local authority procurement teams manage tendering and contracting.	Governance Board oversight; conflict of interest declarations.	Internal audit of procurement; external audit if flagged.
FR005	Tenant Misrepresentation	Businesses submit Gateway Policy applications and business plans.	Freeport team reviews applications; compliance agreements.	Post-occupancy audits; independent review of sector alignment.
FR006	Insider Risk	Staff and board members adhere to ethical standards.	Governance framework; Nolan principles; FOI transparency.	Governance audit; whistleblower protections.
FR007	Data Manipulation or Reporting Fraud	Freeport team prepares reports and dashboards.	Board scrutiny; Advisory Board review.	Independent validation of impact metrics; external assurance.