

Anti-Fraud Policy

1. Introduction

This document sets out the policy and procedures against fraud and other forms of dishonesty, together with the steps that must be taken where any of these practices is suspected or discovered, which will be reviewed every two (2) years

It applies to Trustees, staff and volunteers. Anybody associated with the Association who commits fraud, theft or any other dishonesty, or who becomes aware of it and does not report it, will be subject to appropriate disciplinary action.

2. Statement of Intent

We will continually strive to ensure that all its financial and administrative processes are carried out and reported honestly, accurately, transparently and accountably and that all decisions are taken objectively and free of personal interest. We will not condone any behaviour that falls short of these principles.

All members of the organisation have a responsibility for putting these principles into practice and for reporting any breaches they discover.

3. Definitions & Culture

Fraud: A deliberate intent to acquire money or goods dishonestly through the falsification of records or documents. The deliberate changing of financial statements or other records by either; a member of the public, someone who works or is a volunteer for the Association. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

Theft: Dishonestly acquiring, using or disposing of physical or intellectual property belonging to the Association or to individual members of the organisation.

Misuse of equipment: Deliberately misusing materials or equipment belonging to the Association.

Abuse of position: Exploiting a position of trust within the organisation.

The Association's culture is intended to foster honesty and integrity and is underpinned by seven principles of behaviour. These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Trustees, staff and volunteers are expected to lead by example in adhering to policies, procedures and practices. Equally, members of the public, service users and external organisations (such as suppliers and contractors) are expected to act with integrity and without intent to commit fraud against the Association in any dealings they may have with the organisation.

As part of the culture, the Association will provide clear routes by which concerns can be raised by Trustees, staff and volunteers and by those outside of the organisation. A copy of the Association's Whistleblowing policy is available within the Staff Handbook to Trustees, staff, volunteers, service users, suppliers and other third parties.



Senior management are expected to deal promptly, firmly and fairly with suspicions and allegations of fraud or corrupt practice.

4. Responsibilities

In relation to the prevention of fraud, theft, misuse of equipment and abuse of position, specific responsibilities are as follows:

Trustees:

The Trustees are responsible for establishing and maintaining a sound system of internal control that supports the achievement of the Association's policies, aims and objectives.

The system of internal control is designed to respond to and manage the whole range of risks that the organisation faces.

The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk is seen in the context of the management of this wider range of risks.

The Chief Executive Officer (CEO):

Overall responsibility for managing the risk of fraud has been delegated to the CEO. His/her responsibilities include:

- Undertaking a regular review of the fraud risks associated with each of the key organisational objectives.
- Establishing an effective anti-fraud response plan, in proportion to the level of fraud risk identified.
- The design of an effective control environment to prevent fraud.
- Establishing appropriate mechanisms for:
 - reporting fraud risk issues.
 - reporting significant incidents of fraud or attempted fraud to the Board of Trustees.
- Liaising with the Association's appointed Auditors.
- Making sure that all staff are aware of the Association's Anti-Fraud Policy and know what their responsibilities are in relation to combating fraud.
- Ensuring that appropriate anti-fraud training is made available to Trustees, staff and volunteers as required.
- Ensuring that appropriate action is taken to minimise the risk of previous frauds reoccurring in future.

Senior Management Team:

The Senior Management Team is 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 as far as possible.
- Assessing the types of risk involved in the operations for which they are responsible.
- Reviewing 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 previously taken place.

Staff and Volunteers:

Every member of staff or volunteer is responsible for:

- Acting with propriety in the use of the Association's resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers.
- Conducting themselves in accordance with the seven principles set out above. They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- Being alert to the possibility that unusual events or transactions could be indicators of fraud.
- Alerting their manager when they believe the opportunity for fraud exists e.g. because of poor procedures or lack of effective oversight.
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events.
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

5. Detection and Investigation

It is often the alertness of Trustees, staff or volunteers and the general public to the possibility of fraud and corruption that leads to detection of financial irregularity.

The Chair of the Board of Trustees must be notified immediately of all financial or accounting irregularities or suspected irregularities or of any circumstances which may suggest the possibility of irregularities including those affecting cash, stores, property, remuneration or allowances.

Reporting of suspected irregularities is essential as it:

- Facilitates a proper investigation by experienced staff and ensures the consistent treatment of information regarding fraud and corruption.
- When so notified, the Chair will instigate an investigation by appointing a designated officer, auditor or other adviser.
- The designated officer, auditor or other advisor will:
 - deal promptly with the matter.
 - record evidence received.
 - ensure the security and confidentiality of evidence.
 - work closely with senior managers of the Association and other agencies, such as the Police and Courts to ensure that all issues are properly investigated and reported upon.
 - ensure maximum recoveries are made on behalf of the Association and assist the senior managers to implement disciplinary procedures where considered appropriate.
- In cases of suspected payroll irregularities where a fraud investigation may be possible, discussion will occur between the Chair and the CEO if it is thought a disciplinary investigation is more appropriate.
- Malicious accusations may be the subject of disciplinary action.

