

ANTI-FRAUD POLICY

Introduction

This document sets out the policy and procedures of [Charity] against fraud and other forms of dishonesty, together with the steps that must be taken where any of these practices is suspected or discovered.

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

Statement of intent

[Charity] 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.

Definitions

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 [Charity]. 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 [Charity] or to individual members, supporters or clients of [Charity].

Misuse of Equipment:

Deliberately misusing materials or equipment belonging to [Charity].

Abuse of Position:

Exploiting a position of trust within the organisation.

Culture

The Charity's culture is intended to foster honesty and integrity and is underpinned by [Charity] values; these are: XXX. Our principles of behavior are XXX. These behaviors align with our Mission to: XXX. Trustees Directors, staff and volunteers are expected to lead by example in adhering to policies, procedures and practices. Equally, our members, partners and external organisations (such as suppliers and contractors) are expected to act with integrity and without intent to commit fraud against the Charity in any dealings they may have with the Charity.

As part of the culture, the Charity will provide clear routes by which concerns can be raised by Trustees Directors, staff and volunteers and by those outside of the Charity. A copy of the Charities whistleblowing policy is availability to Trustees, Directors, 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.

Responsibilities

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

Trustee Directors:

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

The system of internal control is designed to respond to and manage the whole range of risks that the Charity 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. The 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 Trustee Directors;
 - Liaising with the Treasurer and (if appropriate) Auditors.
 - Making sure that all staff are aware of the Charity'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 Trustee Directors, staff and volunteers as required; and
 - Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring 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; and
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

Staff and Volunteers:

Every member of staff or volunteer is responsible for:

- Acting with propriety in the use of Charity'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 values and behavior principles set out above;

- 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; and
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

Detection and Investigation

Whilst having regard to the requirements of the Data Protection legislation, the Charity actively participates in an exchange of information with external agencies on fraud and corruption. It is often the alertness of Directors, 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 Trustee Directors and Treasurer 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/Treasurer 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 Charity 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 Charity, and assist the senior managers to implement [the Charity's] disciplinary procedures where considered appropriate (referral to the Police will not prohibit or restrict action under the Disciplinary Procedure).

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.

Awareness/Training

An important contribution to the continuing success of an anti-fraud strategy, and its general credibility, lies in the effectiveness of programmed awareness/training, of Directors staff and volunteers throughout the organisation.

This will be achieved through the development of both induction and awareness training for all personnel involved in internal control systems to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced.

Review

This policy will be reviewed on an annual basis.

Disclaimer

Whilst every effort has been made in the construction of these sample fraud policy statements, compliance with them does not guarantee that you and/or your charity will not be a victim of fraud or criminality aimed against you and/or your charity.

The Fraud Advisory Panel, Charity Commission for England and Wales and the contributors of these sample fraud policy statements will not be liable for any reliance you place on the information in this material. You should seek independent advice.

SPECIMEN ONLY