

RUTLAND FIRST CIC

Anti-Fraud Policy

Introduction

This document sets out the policy and procedures of Rutland First 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 Board Members, Directors, staff and volunteers. Anybody associated with Rutland First 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

Rutland First 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. It 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 a member of the public, someone who works for or is a volunteer for Rutland First. 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 Rutland First or to individual members, supporters or clients of Rutland First.

Misuse of Equipment:

Deliberately misusing materials or equipment belonging to Rutland First.

Abuse of Position:

Exploiting a position of trust within the organisation

Culture

The culture of Rutland First is intended to foster honesty and integrity.

Board members, 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 organisation in any dealings they may have with Rutland First.

As part of the culture, Rutland First will provide clear routes by which concerns can be raised by Board Members, Directors, staff and volunteers and by those outside of the organisation. A copy of Rutland First's whistleblowing policy is available to Board members, Directors, staff, volunteers, service users, suppliers and other third parties.

Those in positions of responsibility 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:

Board Members and Directors:

Board members and Directors are responsible for establishing and maintaining a sound system of internal control that supports the achievement of the organisation'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.

Nominated Board Member

Overall responsibility for managing the risk of fraud has been delegated to the Audit and Risk Committee. The responsibilities include:

- Undertaking a regular review of the fraud risks associated with each of the key organizational 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 Rutland First
- Liaising with the Board member responsible for finance and if appropriate Auditors
- Making sure that all staff are aware of the organisation's Anti-Fraud Policy and know what their responsibilities are in relation to combating fraud
- Ensuring that appropriate anti-fraud training is made available as required;
- Ensuring that appropriate action is taken to minimize the risk of previous frauds occurring in future.

Staff and Volunteers:

Every member of staff or volunteer is responsible for:

- Acting with propriety in the use of the organisation'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 behaviour principles set out above
- Being alert to the possibility that unusual events or transactions could be indicators of fraud
- Alerting the Audit and Risk Committee 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

Detection and Investigation

Whilst having regard to the requirements of the Data Protection legislation, Rutland First actively participates in an exchange of information with external agencies on fraud and corruption. It is often the alertness of Board members, Directors, staff or volunteers and the general public to the possibility of fraud and corruption that leads to detection of financial irregularity.

The Audit and Risk Committee 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 Audit and Risk Committee 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 the Board 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 organisation, and assist the appropriate nominated Board member to implement Rutland First'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 nominated Board member if it is thought a disciplinary investigation is more appropriate
 - Malicious accusations may be the subject of disciplinary action

Investigation of an alleged fraud

In the case of an actual or suspected fraud the focus is

- Minimize and recover losses
- Establish and secure evidence necessary for criminal or disciplinary action
- Review the reasons for the incident, the measures taken to prevent a recurrence and any action needed to strengthen future responses to fraud
- Keep appropriate officers suitably informed
- Assign responsibilities for investigating the incident and
- Establish the circumstances in which external involvement of specialists is needed.

All suspected incidents should be reported to the Chair and the Head of Audit and Risk.

You should not contact the suspected individual to determine facts or demand restitution or for any other reason.

You should not discuss the case, facts, suspicions or allegations with anyone else unless specifically asked to by the assigned investigating officer who will be appointed by the Chair.

The investigating officer will not disclose

- details of any suspected or actual incident to other persons except where disclosure is needed to facilitate the investigation.
- Information that may damage the reputation of persons who may later be found to be innocent of any alleged wrongdoing

In certain cases where there are reasonable grounds for suspicion of fraud and to facilitate investigation, it may be appropriate to suspend an individual. The decision will be taken by the Chair and Audit and Risk Chair under legal or HR advice as necessary.

Suspicion is not disciplinary action nor does it imply guilt.

The investigating officer will

- Take immediate steps to secure any assets eg computers and any other records or documents and will ensure appropriate controls are introduced to prevent further loss, as necessary
- Maintain detailed records of the investigation eg telecons, face to face, docs reviews and results of investigations
- Keep records, where possible, of who has handled each item of evidence
- Conduct interviews fairly and properly and take notes of interviews
- Provide periodic confidential updates to the Chair
- Report the findings of the investigation to the Chair

Finally, on completion of the investigation the written report including action taken will be submitted to the Audit and Risk Committee containing a description of the incident, the measures taken to prevent recurrence and the action needed to strengthen future responses together with follow-up on the actions to be taken.

In the event of discovery of criminal behaviour the Board reserves the right to inform the police.