

# FRAUD POLICY

## Key Principles

Leading by example, (Name of Organisation) will:

- introduce appropriate measures to minimise the risk of fraud;
- adopt formal procedures to investigate fraud when it is suspected;
- provide appropriate mechanisms for employees to voice their genuine concerns and protect those who do so;
- deter employees from making malicious or unfounded accusations;
- have no hesitation referring cases of suspected financial irregularity to the attention of the police;
- work closely with the police and other appropriate external agencies to combat fraud;
- support national and local initiatives against fraud.

## Measures to Minimise the Risk of Fraud

In order to maintain (Name of Organisation)'s high standards, procedures and controls have been established to provide an environment which will minimise the opportunity for fraud. These procedures and controls help (Name of Organisation) conduct its business in a manner beyond reproach. They establish the rules to which trustees and employees must adhere and are supported, as necessary, by detailed procedure manuals which have been prepared for the key functions of (Name of Organisation).

It is the responsibility of trustees and staff to operate internal systems to ensure that high standards are applied and brought to the attention of all. Procedures are operated throughout (Name of Organisation) to ensure:

- an adequate separation of duties (more than one employee is involved in key tasks);
- proper authorisation procedures (transactions must be approved);
- independent monitoring and checking of data and documentation (checks and balances).

(Name of Organisation) has a rigorous audit process which monitors compliance with regulations and undertakes a rolling programme of checks to detect, deter and prevent fraud and corruption. It works closely with staff and trustees monitoring systems and procedures, to ensure that they are fully operated and remain appropriate.

## Procedures when a Fraud is Suspected

(Name of Organisation)'s requires suspected irregularities to be referred to the Chief Officer. All reported irregularities will be thoroughly investigated. The normal sequence of events, should an irregularity be suspected, will be as follows:

- If employees suspect an irregularity has occurred, or is likely to occur, they should normally report this to their line manager who will in turn inform the Chief Officer (unless the concerns relate to that officer, in which case employees should have regard to the alternative mechanisms outlined below).
- Should preliminary investigations suggest the suspicion is reasonable, the Chief Officer should be informed, without delay.
- If the suspicions stem from an audit, the Chief Officer will inform the Chair of Trustees.
- Members of staff are encouraged to report any concerns to the Chief Officer.

- Where further investigations indicate an offence may have occurred, the Chief Officer will consult with the trustees. This will normally result in a decision to handle the matter according to (Name of Organisation)'s Disciplinary Procedures and to involve the Police.
- Where financial impropriety is suspected, the Police will normally be informed.

### **Mechanisms for Employees to Voice Concerns**

Employees are vital to the successful implementation of measures against fraud. (Name of Organisation), therefore, encourages employees to report any concerns they have, without fear of being penalised. Normally, employees should raise such concerns with their line managers, who have a responsibility to investigate and keep their trustees fully informed. However, other routes are available and employees are free to discuss the matter with any of the following:

- The Chief Officer
- The Chair of Trustees;
- The Chair of Finance & General Purposes Sub-committee

All concerns reported will be treated in confidence and fully investigated. If anonymity is requested, every effort will be made to ensure such confidentiality.

The manager (or trustee) to whom the concerns are expressed will take prompt action and the employee will be notified quickly of any action taken. Where action is not considered appropriate, the employee will also be given a prompt and thorough explanation of the reasons for this. In the event of a disagreement, the employee will be advised how to pursue the matter formally.

Employees should be aware that, if a suspicion is reported and results in a prosecution or disciplinary hearing, their involvement as a witness in those processes may be necessary, unless other substantial reliable evidence is available. There is also a need to ensure that the investigative process is not misused. Therefore any abuse, such as raising unfounded or malicious allegations, may be dealt with as a disciplinary matter in itself. This should not deter employees from raising genuine concerns (even if subsequently unfounded but made with good intent), as, in so doing, they will be supported in every possible way.