

# Fraud Prevention Policy

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## Introduction

Clare Public Participation Network (PPN) is committed to maintaining an open and transparent working environment. Staff and volunteers are expected to act honestly and with integrity and to safeguard the resources for which they are responsible, at all times.

As part of the culture of the organisation, this policy document will provide clear routes by which concerns can be raised by the Committee, staff and volunteers and by those outside of the Clare PPN. A copy of this policy is available within the Centre and on our website. Management are expected to deal promptly, firmly and fairly with suspicions and allegations of fraud or corrupt practice.

## Policy

This document sets out the policies and procedures of the Clare PPN in case of fraud or dishonesty within the organisation sets out the steps that the organisation takes to avoid fraud, and the steps that will be taken if any suspicion of fraudulent practice emerges. The policy applies to the Management Committee, coordinator, all staff, and volunteers.

Clare PPN will ensure that all its financial and administrative processes are carried out and reported honestly and transparently, and that all decisions are taken objectively and free of personal interest.

### 1. What is Fraud?

The term fraud is used here to describe a range of activities including theft, abuse of property, bribery, forgery, corruption, false representation, concealment of material facts. Generally, however, fraud involves the intention to deceive a person or organisation in order to obtain an advantage, avoid an obligation or cause loss.

- **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 Clare PPN Committee, staff member, or volunteer.
- **Theft:** Dishonestly acquiring or disposing of physical or intellectual property belonging to Clare PPN or to individual members of the organisation. It may also include:
- **Misuse of equipment:** Deliberately misusing or misappropriating materials or equipment belonging to Clare PPN.
- **Abuse of position:** Exploiting a position of trust within the organisation.

Clare PPN takes the most serious view of any attempt to commit fraud by members of staff,

contractors, their employees and agents acting on behalf of Clare PPN. Staff involved in impropriety will be subject to disciplinary action, including prosecution, if appropriate.

## 2. Fraud Prevention

### Responsibilities

Clare PPN is responsible to the Members for:

- developing and maintaining effective controls to help prevent or detect fraud;
- carrying out vigorous and prompt investigations if fraud occurs;
- taking appropriate disciplinary and/or legal action against perpetrators of fraud;
- taking disciplinary action against managers where their failures have contributed to the commission of the fraud.

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

#### a) Management Committee:

The Committee is responsible for establishing and maintaining a sound system of internal control that supports the achievement of the Clare PPN's policies, aims and objectives.

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.

#### b) The Coordinator:

Overall responsibility for managing the risk of fraud has been delegated to the Coordinator. Their 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 effectively controlled environment to prevent fraud.
- Establishing appropriate mechanisms for:
  - reporting fraud risk issues
  - reporting significant incidents of fraud or attempted fraud to the Management Committee;
- **Liaising with the Clare PPN's appointed Auditors.**
- Making sure that all staff are aware of the Fraud Policy and know what their responsibilities are in relation to combating fraud.
- Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

#### c) Staff and Volunteers

Every member of staff or volunteer is responsible for:

- Acting with propriety in the use of Clare PPN 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 integrity, objectivity, accountability, openness, honesty and leadership;

- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Alerting the co-ordinator 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.

### **3. Detection and Investigation**

The Chair of the Management 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 **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 staff 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 Clare PPN, and assist in the implementation of disciplinary procedures where considered appropriate.

Staff and individuals should cooperate with investigations by providing relevant information. An individual's rights should be respected at all times. Malicious accusations may be the subject of disciplinary action.

#### **In instances of Fraud:**

A checklist of actions will be followed such as:

- Identifying actions to be taken in the first 48 hours,
- identifying who to report to,
- identifying how to secure the evidence,

**CLARE PPN commits to reviewing this policy biannually.**