



PD 18

Anti-fraud and corruption policy

Introduction

This document sets out the policy and procedures of SGUK against fraud, corruption 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 of Trustees, MAC and volunteers. Anybody associated with SGUK 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

SGUK 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 someone who is a volunteer for the 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 SGUK or to individual members, supporters or clients of the organisation

Misuse of Equipment:

Deliberately misusing materials or equipment belonging to the organisation

Abuse of Position:

Exploiting a position of trust within the organisation

Culture

- Our culture is intended to foster honesty and integrity and is underpinned by four values; these are Selflessness, Integrity, Objectivity, Accountability
- Our principles of behaviour are Openness, Prudence, Honesty, Leadership and Support. These behaviours align with our Mission
- Trustees and volunteers are expected to lead by example in adhering to policies, procedures and practices. Equally, our members, partners and external organisations 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 and volunteers and by those outside of the Charity. A copy of the Charities conflict of interest, whistleblowing and safeguarding policy (PD 09) is available to Trustees, volunteers and third parties
- Officers 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:

Trustees:

The Trustees 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 SGUK 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 Board Chairman:

Overall responsibility for managing the risk of fraud has been delegated to the Board Chairman. 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:
 - o reporting fraud risk issues
 - o reporting significant incidents of fraud or attempted fraud to the Board of Trustees
 - o Liaising with the Treasurer and scrutineers
 - o Making sure that all are aware of the Charity's Anti-Fraud Policy and know what their responsibilities are in relation to combating fraud
 - o Ensuring that appropriate anti-fraud training is made available to Trustees and volunteers as required
and
 - o Ensuring that appropriate action is taken to minimize the risk of previous frauds occurring in the future

Board and MAC:

The remaining trustees and MAC are 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

Volunteers:

Every volunteer is responsible for:

- Acting with propriety in the use of Charities resources and the handling and use of funds whether they are involved with receipts, payments or dealing with suppliers
- Conducting themselves in accordance with the values and principles set out above
- Being alert to the possibility that unusual events or transactions could be indicators of fraud
- Alerting the Chair 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 General Data Protection Regulation (GDPR), SGUK will if required participate in an exchange of information with external agencies on fraud and corruption. It is often the alertness of trustees or volunteers to the possibility of fraud and corruption that leads to detection of financial irregularity

The Chair of the Board of Trustees 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 payments or expenses

Reporting of suspected irregularities is essential as it:

- Facilitates a proper investigation by the Board 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, scrutineer or other adviser
- The designated officer, scrutineer or other advisor will:
 - o deal promptly with the matter
 - o record evidence received
 - o ensure the security and confidentiality of evidence
 - o work closely with senior officials of the Charity and other agencies, such as the Police and Courts to ensure that all issues are properly investigated and reported upon
 - o ensure maximum recoveries are made on behalf of SGUK, and assist the Chair to implement disciplinary procedures where considered appropriate (referral to the Police will not prohibit or restrict action under any Disciplinary Procedure)

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 trustees and volunteers throughout the organisation |