



VOLUNTARY ACTION
MERTHYR TYDFIL
GWEITHREDU GWIRFODDOL
MERTHYR TUDFUL

ANTI-FRAUD POLICY

Introduction

This document sets out the policy and procedures of Voluntary Action Merthyr Tydfil (VAMT) 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, staff and volunteers. Anybody associated with VAMT who commits fraud, theft or any other dishonesty, or who becomes aware of it and does not report it, will be subject to appropriate disciplinary action.

1 Statement of Intent

VAMT 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.

2 Definitions

a) **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 VAMT. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud

b) **Theft:** Dishonestly acquiring, using or disposing of physical or intellectual property belonging to VAMT or to individual members of the organisation.

c) **Misuse of equipment:** Deliberately misusing materials or equipment belonging to VAMT.

d) **Abuse of position:** Exploiting a position of trust within the organisation.

3 Culture

VAMT's culture is intended to foster honesty and integrity and is underpinned by seven principles of behaviour. These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Trustees, staff and volunteers are expected to lead by example in adhering to policies, procedures and practices. Equally, members of the public, service users and external organisations (such as

suppliers and contractors) are expected to act with integrity and without intent to commit fraud against VAMT in any dealings they may have with VAMT.

As part of the culture, the VAMT will provide clear routes by which concerns can be raised by Trustees, staff and volunteers and by those outside of the Charity. A copy of VAMT's whistleblowing policy is contained within VAMT's staff handbook available to Trustees, staff and volunteers. It is available to service users, suppliers and other third parties on request.

Senior management are expected to deal promptly, firmly and fairly with suspicions and allegations of fraud or corrupt practice

4 Responsibilities

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

a) 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 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.

b) The Chief Officer (CO):

Overall responsibility for managing the risk of fraud has been delegated to the CO. His 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 Trustees;
- Liaising with the Charities appointed Auditors.
- Making sure that all staff are aware of the Anti-Fraud Policy and know what their responsibilities are in relation to combating fraud;
- Ensuring that appropriate anti-fraud training is made available to Directors, staff and volunteers as required; and
- Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

c) 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.

d) Staff and Volunteers

Every member of staff or volunteer is responsible for:

- Acting with propriety in the use of VAMT'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 seven principles set out above. They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- 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.

5 Detection and Investigation

Whilst having regard to the requirements of the Data Protection legislation, VAMT will actively participate in an exchange of information with external agencies on fraud and corruption. It is often the alertness of Trustees, 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 Trustees 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 senior managers of the VAMT 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 VAMT, and assist the senior managers to implement VAMT'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 CO if it is thought a disciplinary investigation is more appropriate.

Malicious accusations may be the subject of disciplinary action.

6 Training

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

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

7 Review

This policy will be reviewed on an annual basis.