**ANTI FRAUD POLICY & PROCEDURES**

**POLICY**

**INTRODUCTION**

This document sets out the policy and procedures of Dorchester Municipal Charities (DMC) against fraud and other forms of dishonesty.

It applies to Trustees, staff and volunteers. Anybody associated with Dorchester Municipal Charities 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.

**STATEMENT OF INTENT**

DMC 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 DMC 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 either; a member of the public, someone who works or is a volunteer for DMC. 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 DMC or to individual members, supporters or residents of the organisation.

**Misuse of equipment**

Deliberately misusing materials or equipment belonging to DMC.

**Abuse of position**

Exploiting a position of trust within the organisation.

**CULTURE**

DMC fosters honesty and integrity in its entire staff. 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 the Charity.

As part of this, DMC will provide clear routes by which concerns may be raised by Trustees, staff, volunteers, residents, contractors and suppliers.

A copy of the Charity’s Whistleblowing Policy is available from the office.

Trustees will 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**

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 which the Charity faces.  It 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.

Trustees have responsibility for:

* Ensuring that an adequate system of internal control exists and that controls operate effectively;
* Preventing and detecting fraud as far as possible;
* Assessing the types of risk involved in daily operations;
* Reviewing the control systems regularly;
* Ensuring that controls are being complied with and systems continue to operate effectively;
* Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place;
* Providing training for trustees, staff, or volunteers, as appropriate;
* Undertaking any fraud related training recommended by the Management Team.

**Staff**

Every member of staff is responsible for:

* Undertaking any fraud related training that may be offered by the Charity;
* Acting with propriety in the use of Charity’s resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers;
* Conducting themselves with 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 or the Management Team 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 the person conducting internal checks, reviews or fraud investigations.

**Volunteers**

Every volunteer is responsible for:

* Undertaking any fraud related training that may be offered by the Charity;
* Acting with propriety in the use of the Charity’s resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers;
* Conducting themselves with 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 or the Management Team 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.

**PROCEDURE**

1. Concerns about fraud should be reported to the Manager or the Management Team as soon as possible
2. The Manager will discuss the situation with the Management Team who will co-ordinate an investigation using the Investigation Plan (see Appendix)
3. The designated Investigator will:
   1. deal promptly with the matter
   2. record evidence received
   3. ensure the security and confidentiality of evidence
   4. use the Quick Guide to Investigative Interviews available at <https://www.gov.uk/guidance/protect-your-charity-from-fraud#how-to-protect-against-different-types-of-fraud>, to assist them with the process
4. The Management Team will decide whether the fraud or attempted fraud, including cyber fraud attempts, should be reported to [Action Fraud](https://www.actionfraud.police.uk/), the national reporting centre specifically for reporting frauds which has an online fraud reporting service, available 24 hours a day. They also list types of fraud on their website:

<https://www.actionfraud.police.uk/> Phone: 0300 123 2040.

1. The Management Team will decide whether the situation should be reported to the Charity Commission under DMC’s Serious Reporting Policy and Procedures.
2. Information shall be processed in accordance with the Data Protection Policy & Procedures.

**Bibliography**

Charity Commission, *Anti-fraud policy template*, <https://www.gov.uk/guidance/protect-your-charity-from-fraud>, 2019

Charity Commission, *Fraud Investigation Plan*, <https://www.gov.uk/guidance/protect-your-charity-from-fraud>, 2019

**INVESTIGATION PLAN**

Name of person being investigated:

Investigator:

Date:

Summary of allegations received / evidence to date:

Scope of investigation:

E.g. outline the scope of the investigation, for example to investigate the allegations outlined above, across the time period from X to Y.

Investigation Plan:

|  |  |
| --- | --- |
| Date | Task |
|  | *E.g. Risk assessment* |
|  | *E.g. Gather relevant original documentation and make copies/scan* |
|  | *E.g. Compare documentation to policies and procedures in place* |
|  | *E.g. Visit third parties* |
|  | *E.g. Interview witnesses* |
|  | *E.g. Interview subject of investigation* |
|  | *E.g. Analysis of evidence* |
|  | *E.g. Draft final report* |

Arising Issues:

E.g. staff or trustees absent, time constraints

Outcome of investigation:

Includes recommendations for improvements, control revisions, changes to policy etc