

# Fraud Prevention Policy

<i>Reference:</i>	
<i>Date Approved:</i>	<i>TBC</i>
<i>Approving Body:</i>	<i>F&amp;A Committee</i>
<i>Implementation Date:</i>	<i>TBC</i>
<i>Version:</i>	<i>1.0</i>
<i>Supersedes:</i>	<i>Fraud Policy 2010</i>
<i>Stakeholder groups consulted:</i>	<i>Directors</i>
<i>Target Audience:</i>	<i>Trustees, Staff, Volunteers</i>
<i>Review Date:</i>	<i>Feb 2023</i>
<i>Lead Executive</i>	<i>Mark Chapman – Finance Director</i>
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## 1.1 Policy history

Version	Author	Date	Change
1.0	Mark Chapman	17/01/2022	Complete re-write to replace old Fraud Policy

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# 1. Policy Detail

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## 1. Introduction

This document sets out the policy and procedures of the Association against fraud and other forms of dishonesty.

It applies to Trustees, Directors, staff and volunteers. Anybody associated with the Motor Neurone Disease Association 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 which will include disciplinary action for staff.

## 2. Statement of intent

The Association 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 individuals who work for, support or volunteer for the Motor Neurone Disease Association have a responsibility for putting these principles into practice and for reporting any breaches they discover.

## 3. 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 the Association. 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 the Motor Neurone Disease.

### c) Misuse of equipment:

Deliberately misusing materials or equipment belonging to the Motor Neurone Disease Association for financial or material benefit.

d) Abuse of position:

Exploiting a position of trust within the organisation for financial or material benefit.

4. **Culture**

The Association fosters honesty and integrity in its entire staff reflecting our values of Heart, Collaborate, Commitment, Openness and Respect.

Trustees, Directors, staff and volunteers are expected to lead by example in adhering to our values, 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 Association.

As part of this, the Association will provide clear routes by which concerns may be raised by Trustees, Directors, staff and volunteers. Details of this can be found in the Association's Whistle-blowing Policy.

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

5. **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 ensuring that they have oversight of, and obtain assurance that, a sound system of internal control that supports the achievement of the Charity's policies, aims and objectives is in place.

The system of internal control is designed to respond to and manage the whole range of risks which the Charity faces, 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 and is covered as part of the regular review of the Association's Risk Register.

Responsibility for the oversight of internal control is delegated to the Finance and Audit Committee who will ensure an appropriate review of external audit findings is held and an internal audit programme is implemented to review processes around the key risks identified in the risk register.

#### b) The Chief Executive Officer (CEO):

Overall responsibility for managing the risk of fraud has been delegated to the CEO. The day-to-day responsibility has been delegated to the Finance Director to act on behalf of the CEO.

Their responsibilities include:

- Undertaking a regular review of the fraud risks associated with each of the key organisational objectives.
- 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 Charity's appointed internal and external Auditors.
- Making sure that all staff are aware of the Charity's Fraud Prevention Policy and know what their responsibilities are in relation to combating fraud.
- Ensuring that appropriate anti-fraud training is made available to Trustees, staff and volunteers as required.
- 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.
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

#### d) Staff

Every member of staff is responsible for:

- Acting appropriately and with integrity 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 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.
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

#### e) Volunteers

Every volunteer is responsible for:

- Acting appropriately and with integrity 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 the Association 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.
- Cooperating fully with whoever is conducting internal checks e.g. Branch & Group financial audits or reviews or fraud investigations.

#### 6. Review

This policy will be reviewed on an annual basis.