ANTI-FRAUD POLICY

Approved by board June 2017   Review date: July 2018

Electric Theatre Workshop   Eskdale House Crichton Business Park Bankend Road Dumfries

Anti Fraud and Corruption Policy

1. Introduction

1.1 ETW is committed to fulfilling its responsibilities to protect the funds it administers against fraud and corruption. This policy is designed to:

• promote standards of honest and fair conduct

• encourage prevention of fraud and corruption

• maintain strong systems of internal control

• promote detection

• pursue a zero tolerance policy and bring to justice anyone who commits acts of fraud or corruption

• recover any losses incurred by ETW

1.2 ETW will continually strive to ensure that all its financial, contractual and administrative processes are conducted and reported honestly, accurately, transparently and accountably and that all decisions are taken objectively and free from personal interest. ETW will not condone any behaviour that falls short of these principles. ETW Directors, staff and volunteers have a responsibility for putting these principles into practice and for reporting any breaches they may discover.

2. Culture

2.1 ETW is a charity and the charity culture is intended to foster honesty and integrity and is underpinned by seven principles of behaviour. These are:

• selflessness

• integrity

• objectivity

• accountability

• openness

• honesty

• leadership

Directors, staff and volunteers are expected to lead by example in adhering to ETW policies, procedures and practices. Equally members of the public and external organisations, such as suppliers and contractors, are expected to act with integrity and without intent to commit fraud against ETW.

2.2 ETW will provide clear routes by which concerns can be raised by Directors, staff and volunteers and by those outside the charity.

3. Definitions

3.1 Fraud: The term fraud is used to describe acts of deception, bribery, forgery, concealment of material facts and collusion. For practical purposes, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing a loss to another's property. Fraud is most often associated with a deliberate intent to acquire money or goods dishonestly through the falsification of records or documents and/or the deliberate changing of financial statements or other records. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

3.2 Computer Fraud: is where information technology equipment has been used to manipulate programmes or data dishonestly or where the information system is a material factor in the perpetration of the fraud. Theft of fraudulent use of computer time and resources is included in this definition.

3.3 Theft: Dishonestly acquiring, suing or disposing of physical or intellectual property belonging to ETW or to individual members of the organisation.

3.4 Misuse of equipment: Deliberately misusing materials or equipment belonging to ETW.

3.5 Abuse of position: Exploiting a position of trust within the organisation.

4. Responsibilities

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

4.1 Trustee Directors:

The Directors 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.

4.2 The Chief Executive Officer (CEO):

Overall responsibility for managing the risk of fraud has been delegated to the CEO. His/her 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 Directors
  • liaising with the Charity's appointed Auditors

- liaising with the Finance team
- ensuring that all staff are aware of the Charity's 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
- ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future

4.3 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

4.4 Staff and Volunteers

Every member of staff or volunteer is responsible for:

- 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 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
- cooperating fully with whoever is conducting internal checks or reviews or fraud investigations

5. Detection and Investigation

5.1 An irregularity is any incident or action which is not part of the normal operation of the system or expected course of events which may be as a result of a fraud.

5.2 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.

Photography Policy

5.3 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 Charity 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 Charity, and assist the senior managers to implement ETW's disciplinary procedures where considered appropriate (referral to the Police will not prohibit or restrict action under the Disciplinary Procedure)

5.4 No action will be taken against anyone who has reported a potential fraud should the suspicion turn out to be unfounded, provided that they have acted in good faith. Malicious accusations may be the subject of disciplinary action. The Public Interest Disclosure Act 1998 protects whistleblowers from victimisation, discipline or dismissal where they raise genuine concerns of misconduct or malpractice.

5.5 An individual should not deal with any allegation or suspicion of fraud themselves but should refer them to their line manager. Should the concern be about the line manager then it should be referred to the CEO. Should the concern be about the CEO it should be referred to the Chair. Should the concern be about the Chair it should be referred to the CEO or one of the Trustees.

6. Training

6.1 An important contribution to the continuing success of an anti-fraud strategy, and its general credibility, lies in the effectiveness of programmed training, of Directors 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 r