

PROCEDURE FOR DEALING WITH FRAUD, BRIBERY AND THEFT OWN TRUST



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1. Overview

1.1. The following instruction sets out individuals’ responsibilities for the prevention and reporting of incidences or suspicions of fraud, bribery and theft in the Trust and the procedures to be followed in the event that it is suspected or discovered.

1.2. Employees must abide by the Trust’s values and behaviours, which includes acting with honesty and integrity, and safeguarding the Trust’s resources. It is primarily a line management responsibility for detecting and dealing with fraud, bribery and theft.

1.2.1. This instruction applies to all employees, contractors and volunteers.

2. Rationale

2.1. The Trust’s aim is to foster a culture where fraud, bribery and theft within our organisation is never acceptable and therefore we:

- Will put in place appropriate systems and procedures, incorporating efficient and effective internal controls, to prevent and detect fraud, bribery and theft.
- Will investigate all reports of suspected fraud, bribery or theft and where appropriate notify the police and seek to recover any losses.
- Believe that members of the public, employees, contractors, volunteers and any other interested party should feel able to report any cases of malpractice or wrongdoing without fear of recrimination.
- Ask all employees to exercise proper stewardship of our charitable funds, and carry out all business fairly, honestly and openly.

3 Implications

- 3.1 Fraud, bribery or theft will usually result in direct financial loss but also presents a risk to our reputation and wider public trust in the organisation.
- 3.2 OWN Trust considers actual or attempted fraud, bribery or theft to be acts of gross misconduct and, if proven, may result in dismissal. Where supervisory negligence is found to be a contributory factor, disciplinary action may also be initiated against those managers/supervisors responsible.
- 3.3 OWN Trust will always seek to recover any losses as a result of any acts of fraud or theft.

4 Definitions and examples of fraud, bribery and theft

4.1 Fraud is the general term given to an act of deliberate deception with the intention of concealing the misappropriation of assets, any other personal gain or causing a financial loss to the Trust. Examples include:

- Falsification of claims, such as expenses, timesheets etc.
- Lying about qualifications on an application form or at interview.
- Intentionally overpaying suppliers for personal gain.
- Use of OWN Trust equipment, property (including staff card) or services for personal gain.
- Making false claims and or the misuse of monies.
- Failing to disclose information which would influence a decision.
- Abuse of position to gain personal advantage for yourself or someone you know.
- Manipulation or misstatement of accounting records or results.

4.2 Bribery can either be described as:

- Active – offering or promising a bribe to influence someone’s actions or to reward them for acting improperly; and
- Passive – the act of requesting, agreeing to receive, or accepting a bribe.

4.3 Theft is defined as when a person dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it.

5 Responsibilities for preventing and dealing with fraud, bribery and theft

5.1 Employees, contractors and volunteers

Employees, contractors and volunteers must abide by the Trust’s values and behaviours; this means:

- Safeguarding Trust resources.
- Ensuring the appropriate use of Trust resources. This includes cash and/or payment systems, use of petty cash, expenses claims, dealing with suppliers and use of Trust equipment.
- Declaring any potential conflicts of interest.
- Where possible, avoiding line management of partners or family members. If this is not possible, ensuring complete transparency by involving others in decision making processes relating to aspects of employment such as pay, benefits, access to training.
- Being vigilant for signs of fraud, bribery or theft.
- Highlighting areas susceptible to the risk of fraud, bribery or theft to management.
- Reporting suspicions of fraud, bribery or theft immediately using the whistle-blowing process

5.2 If an employee, contractor or volunteer suspect's fraud, bribery or theft is taking place they must **not** do any of the following:

- Alert the person(s) they suspect as this may enable them to cover their tracks.
- Discuss their suspicions or any related facts with anyone outside of the Trust unless specifically authorised to do so by their manager.
- Discuss their suspicions or any related facts with anyone within the Trust other than in accordance with this instruction or the whistle-blowing guidance.
- Attempt to investigate the matter themselves.

6 Line Managers

6.1 Where fraud, bribery or theft is suspected or detected it is the line manager's responsibility to ensure that a full investigation is carried out and appropriate action is taken. This may include notifying the police and/or taking disciplinary action. If the line manager is personally involved or implicated in the case, this responsibility passes to their line manager, in the case of the Head Teacher, responsibility passes to the Board of Trustees.

6.2 The Trust Board must be advised of all cases of suspected fraud and may choose to engage the appointed auditors to investigate.

7 Internal Audit

7.1 Audit checks includes data matching exercises for the purposes of the prevention and detection of fraud. Data matching involves comparing computer records we hold for one purpose against other computer records held by the same for another purpose: For example, checking staff records against records of our suppliers to identify any potential conflicts of interest or fraudulent claims or payments.

7.2 The role of internal audit is performed by the appointed auditors. In addition to the external audit of the annual financial statements, three internal audit examinations are carried out annually as instructed by the Trust Board.