

Hillingdon Community Trust

Anti-fraud policy

I. Introduction

This statement sets out the policy of Hillingdon Community Trust on fraud and details our responsibilities for its prevention. It also refers to a fraud response plan which outlines the action to be taken if fraud is suspected or discovered.

The Trust takes a very serious view of any attempt to commit fraud by staff, trustees, applicants for funding (and those working on their behalf) and others.

Hillingdon Community Trust requires staff and trustees to act honestly and with integrity at all times and to safeguard the resources for which they are responsible. Fraud is a threat to these resources and must therefore be a concern of all staff and trustees.

No grant applicant found to be responsible for fraudulent activity will be considered for future funding. The Trust will consider requesting a police investigation and will take legal action to recover any sums obtained fraudulently.

Staff involved in impropriety of any kind will be subject to disciplinary action, including prosecution, if appropriate.

II. Definition of fraud

Fraud involves an intention to deceive a person or organisation in order to obtain an advantage, avoid an obligation or cause loss. For Hillingdon Community Trust, the term 'fraud' can be used to describe a range of activities including deception, applications for double funding, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

The term also includes the use of computers to manipulate programmes or data dishonestly or the theft of IT equipment and software.

III. Responsibilities

A. The Trustees

The trustees are responsible for overseeing the trust and its effective management, in line with appropriate financial conduct. The trustees are ultimately responsible for managing risk. One trustee has been given lead responsibility in this area.

The trust is responsible to the trustees for

- Developing and maintaining effective controls to help prevent or detect fraud
- Carrying out vigorous and prompt investigations if fraud occurs
- Taking appropriate disciplinary and/or legal action against perpetrators of fraud
- Taking appropriate disciplinary action against staff where their failures have contributed to the commission of the fraud

B. The Director

The Director is responsible for the day-to-day operations and management of Hillingdon Community Trust. The director is responsible for maintaining a register of the interests of trustees, ensuring that systems are in place to deal with any potential conflicts of interest. He/she is also responsible for the prevention and detection of fraud by ensuring that adequate systems of control exist through the organisation, and that these controls operate effectively. This responsibility will be exercised through appropriate delegations of duty, segregation of task, financial and budgetary controls and other anti fraud functions within the organisation.

As a result there is a need for the Director to:

- Identify and assess the risk involved in all operations of the Trust
- Develop and maintain effective controls to prevent and detect fraud
- Ensure compliance with controls
- Be responsible for investigating actual or suspected fraud
- Report any actual or suspected fraud to the nominated trustee
- Complete a review of control systems once an investigation has been completed

C. Other members of staff

- Have a duty to ensure that the trust's funds, reputation and assets are safeguarded
- Should alert the Director (or, if appropriate, the nominated trustee) where they believe the opportunity for fraud exists because of poor procedures or lack of effective supervision
- Have a responsibility to report details of
 - Any suspected or actual fraud
 - Any suspicious acts or eventsto the Director (or, if appropriate, the nominated trustee)
- Must assist in any investigations by making available all relevant information and by co-operating in interviews

IV. Anti fraud measures

The Trust has considered the Association of Charitable Foundations's advice 'Tackling External Grant Fraud' and has based its policy and procedures on this, where relevant, and on the policy and procedures implemented by other grant makers. It will contact other grant makers for the verification of information provided by grant applicants, and will take up references and carry out investigations considered appropriate in considering any grant application to the Trust.

V. Fraud response plan

A. Introduction

This plan sets out the actions to be taken if fraud is suspected or discovered within the Trust. Anonymous communications or allegations relating to alleged fraud will not normally be investigated unless they concern individual or public safety or financial irregularity.

B. Actions to be taken

- Alert those dealing with the fraud/suspected fraud immediately by phone or by email (This will generally be the Chairman, Deputy Chairman, the nominated Trustee and the Director)
- If necessary convene a meeting of those involved in dealing with the fraud or suspected fraud
- Make an initial assessment of the extent and nature of the fraud
- Appoint one individual to act as a focus for investigations into the fraud/suspected fraud

(Note that at this stage for legal reasons it is advisable to limit the list of those who know about the fraud)

- If it is suspected that staff are complicit in the fraud, seek professional HR or legal advice to ensure that actions are fair and reasonable in the circumstances
- Limit any possibility of further damage
- Make an initial assessment about whether police, lawyers, the Charity Commission and insurers need to be involved at this stage, and agree who is responsible for this external contact
- Make a decision about whether/how information is to be shared with others (e.g., other funders known to be funding an organisation under suspicion, the media, etc)

C. Preserving and securing evidence

Collect all relevant evidence. This might include grant applications and offer letters, grant acceptance papers, records of conversations and meetings with the funded group, payment records, audited accounts, bank statements and receipts.

The fraud investigation team (normally those referred to in B above) may need to carry out interviews to find out more detail and produce evidence for use in a prosecution. Any interviews must be carried out in accordance with the Police and Criminal Evidence Act 1984 (PACE) and end in an agreed statement. It is recommended that professional support (e.g. from a qualified lawyer or the police) is used in any interviews because of the risk of making evidence inadmissible at this stage.

D. Follow up

- Decide whether to press for either criminal prosecution or civil action for recovery
- Reconsider whether the fraud or suspected fraud should be reported to the police, lawyers, Charity Commission, insurers, other funders and the media
- Agree and implement improvements to relevant control systems
- Prepare a report for the Board explaining what went wrong and what has been done to prevent a recurrence