

Fraud Prevention Policy

1. Purpose and Scope

The purpose of this document is to give Ambitious about Autism's (AaA) and Ambitious about Autism Schools Trust's (AaAST) policy on fraud and set out our responsibilities for its prevention. It also refers to the Fraud Response Plan, which outlines the action to be taken if fraud is discovered or suspected, including reporting requirements.

AaA and AaAST require staff at all times to act honestly and with integrity and to safeguard the resources for which they are responsible. Fraud is an ever-present threat to these resources and hence must be a concern of all members of staff.

What is fraud?

The term fraud is used to describe a whole range of activities such as the use of deception to obtain an unjust or illegal financial benefit, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion, or intentional misrepresentation affecting the financial statements (for example, manipulating information in order to present a misleading picture of AaA and AaAST's financial situation). Generally, fraud involves the intention to deceive a person or organisation in order to obtain an advantage, avoid an obligation or cause loss.

The term also includes the use of information technology equipment to manipulate programs or data dishonestly, the theft of IT equipment and software, and the intentional misuse of computer time and resources.

The Trust's / Charity's attitude to fraud

The Trust / Charity takes the most serious view of any attempt to commit fraud by members of staff, volunteers, Trustees, Governors, contractors and their employees and others. Staff involved in impropriety of any kind or any proven instance of fraudulent practice will be treated as constituting gross misconduct and will be dealt with under the Disciplinary Procedure, including prosecution, if appropriate.

AaAST / AaA is committed to ensuring that fraud is prevented and immediately dealt with should it arise. Staff are encouraged to disclose ("blow the whistle" - see separate Whistleblowing Policy) on any fraudulent practice which they become aware of. Fraud can be perpetrated at any level in the organisation, including Trustees.

The Trust / Charity treats attempted fraud as seriously as accomplished fraud.

Serious incident reporting

The Charity Commission requires charities to report serious incidents including fraud. A serious incident is an adverse event, whether actual or alleged, which results in or risks significant:

- loss of your charity's money or assets
- damage to your charity's property
- harm to your charity's work, beneficiaries or reputation

The most common type of incidents are frauds, thefts, significant financial losses, criminal breaches, terrorism or extremism allegations, and safeguarding issues.

The serious incident reporting policy and procedure can be found here:

<https://ambitiousaboutautism.sharepoint.com/sites/policy/Published%20PPF/014%20Serious%20Incident%20Reporting%20Policy%20T12019.pdf>

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If a serious incident takes place, AAA will report what happened to the Charity Commission and explain how it is being dealt with, even if it has been reported to the police, donors or another regulator. If there is doubt as to whether reporting is required, legal advice will be sought as to whether reporting to the Charity Commission needs to take place or not.

Who should report?

The responsibility for reporting serious incidents is outlined in the serious incident reporting policy.

However, all trustees hold ultimate responsibility for ensuring their charity makes a report, and does so in a timely manner. It is the Director of Finance and Planning, and CEO's responsibility to ensure that Trustees are informed of anything that may be interpreted as a serious incident by the Charity Commission.

Other policies to be referred to:

- Whistleblowing Policy
- Disciplinary Policy
- Purchasing Policy and Procedures
- Bribery Policy
- Professional Code of Conduct Policy
- ICT Acceptable Use Policy
- Confidentiality Policy
- Data Security Policy
- Data Protection Policy
- Risk Policy and Register
- Serious Incident Reporting Policy and Procedure

2. Responsibilities

The Accounting Officer / Chief Executive 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 is suspected or occurs;
- taking appropriate disciplinary and/or legal action against perpetrators of fraud;
- taking disciplinary action against managers where their failures have contributed to the commission of the fraud;
- reporting all fraud or attempted fraud or where there is a risk to the reputation of the Charity, to the Chair of the Finance and Resource Committee (FRC) or, failing that, to the Chair of Trustees;
- for AaAST, reporting fraud where the monetary loss is in excess of £5,000 (single transaction or cumulative in an academic year) to the ESFA.
- for AaA reporting all fraud or risk of fraud to the Charity Commission;
- ensuring that a log of incidents of fraud, or attempted fraud is maintained;
- this responsibility can be delegated by the Trustees to the Director of Finance and Planning, whilst retaining accountability.

FRC is responsible for:

- reviewing management and statutory accounts prepared by staff and, on behalf of the Boards, and is responsible for ensuring that they present a true and fair view of AaAST's / AaA's finances.
- ensuring that the auditor is in attendance at the meeting where the accounts are reviewed to present their report and management letter.
- having a private session with the auditor, asking for any issues of concern to be presented to the members of the committee.

Trustees are responsible for:

- receiving reports from the FRC to satisfy themselves that AaAST's / AaA's finances are being properly safeguarded and are fairly reflected in the management and statutory accounts.
- ensuring that there are appropriate controls in place.

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Staff responsibilities:

Line managers are responsible for the prevention and detection of fraud by ensuring that an adequate system of internal control exists within their areas of responsibility, and these controls operate effectively.

As a result there is a need for all managers to:

- identify and assess the risks involved in the operations for which they are responsible;
- develop and maintain effective controls to prevent and detect fraud;
- ensure compliance with controls; and
- ensure that agreed procedures are followed.

Every member of staff has a duty to ensure that the Trust's / Charity's funds, its reputation and its assets are safeguarded and;

- should alert their line manager where they believe the opportunity for fraud exists because of poor procedures or lack of effective supervision;
- has a responsibility to report details of (a) any suspected or actual fraud, or (b) any suspicious acts or events, to their line manager, or the Director of Finance and Planning.
- assist in any investigations by making available all relevant information and by co-operating in interviews.

The Director of Finance & Planning is responsible for:

- having in place financial controls which are designed to reduce the chances of, and opportunities for, fraudulent practices. They include: purchasing policy and procedures, internal controls within the finance department, controls over the receipt of donations and regular risk assessment reviews which are presented to the Board;
- following up any suspicions of fraud that are communicated, and following up where a fraud is reported;
- investigating actual or suspected fraud;
- will complete a review of control systems once their investigation has been completed, and
- offering advice and assistance on risk and control issues.

3. Fraud response plan

The Trust / Charity has prepared a Fraud Response Plan (See *Appendix A*) which can act as a checklist of actions and a guide to follow in the event of fraud being suspected. It covers issues such as:

- actions to be taken in the first 48 hours,
- who and when to report to, for example the Department for Education / Charity Commission, Police, HMRC etc.,
- how to secure the evidence,
- how to prevent losses,
- who within the Trust / Charity will notify the Police and investigate fraud, and
- who has responsibility for notifying stakeholders and dealing with external enquiries.

4. Risk register

The Trust / Charity has a risk register that includes financial fraud and theft, to ensure that the risk of fraud is managed consistently across the Trust / Charity.

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Appendix A

Fraud Response Plan

1. Set objectives

- Criminal proceedings
- Civil proceedings
- Regulatory issues
- Reassurance and whether it could happen again
- Maintain proportionate controls

2. Investigations team

- Establish a fraud response team
- Appoint a co-ordinator to centralise crisis management
- Select an independent investigator with the right experience
- Which trustees, employees and departments should be included or excluded
- External help – forensic accountants, lawyers, IT data recovery

3. Resources

- Identify people
- Identify equipment
- Identify locations

4. Securing evidence

- Location – who has it? Suspects, collaborators, innocent bystanders, external parties?
- What is it and how to preserve it – paper, emails, diaries, telephone logs, voicemails, bank statements.
- Storing – bagged, tagged, numbered, secured
- Protecting – suspend routine deleting of files, collection of recycling
- Interviewing – who to interview and when, independent representation, plan and record interviews, Police and Criminal Evidence Act 1984 consideration, human rights
- Suspects – suspend access to sensitive areas, gardening leave (fairness consideration)
- Employees – keep them informed without jeopardising investigation, avoid gossip, ensure cooperation

5. Damage assessment

- Analyse impact on the Trust's / Charity's reputation, staff and funders, members, trustees and stakeholders
- Identify any regulatory repercussions and inform the Department of Education / Charity Commission if appropriate

6. Reporting procedures

- Keep communication lines clear and confidential
- Identify and appoint decision makers

7. Media

- Ensure the Director of External Affairs is kept informed in order to deal with any press enquiries and prepare press statement if appropriate

8. Insurers

- Contact insurance brokers, assess whether covered for fraud, and costs of investigation

9. Suspect

- Follow disciplinary policy and employment contract

10. Police

- Decide whether to inform police

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