



Policy & Procedure

FRAUD POLICY AND RESPONSE PLAN

1. Introduction

One of the basic principles of the voluntary sector is the proper use of public funds. It is, therefore important that all who work and participate in the Charity sector are aware of the risk of and means of enforcing the rules against fraud and other illegal acts involving dishonesty or damage to property. For simplicity all such offences are hereafter referred to as “fraud”. This document set out the Board of Trustees/Directors Policy and Response Plan for detected or suspected fraud.

The Board of Trustees/Directors have procedures in place that reduce the likelihood of fraud occurring. These include the Financial memorandum, Standing Orders, a Public interest Disclosure Policy and a system of internal control. This document is intended to provide direction and help to staff and volunteers who find themselves having to deal with suspected cases of theft, fraud or corruption. It gives a framework for a response and advice and information on various aspects and implications of an investigation.

2. The Board of Trustees/Directors Policy

The Board of Trustees/Directors is committed to maintaining an honest, open and well intentioned atmosphere within the UK Deaf Sport. It is, therefore, also committed to the elimination of any fraud within the organisation and to the rigorous investigation of any such cases. The Board of Trustees/Directors wishes to encourage anyone having reasonable suspicions of fraud to report them in line with the procedures in the Public Interest Disclosure Policy. No one will suffer in any way as a result of reporting reasonably held suspicions

3. Roles and Responsibilities

The responsibility for investigating fraud rests with the Chair to the Board of Trustees/Directors. In his absence, or if he is in any way alleged to be involved in the fraud, then the responsibility for investigating the matter rests with the Chair of the Trustees/Directors. The Investigating Officer shall inform and consult the Trustees/Directors in all cases except where the Chair is the alleged perpetrator then the Vice Chair shall assume the role of Investigating Officer.

The Investigating Officer will notify the internal audit service¹ at the first opportunity and will agree with the internal auditors an appropriate process for undertaking the investigation. The Investigating Office does not have the authority to determine the process for undertaking the investigation independently of the Internal Auditors and this process should clearly document the means of recovering any identified losses.

The Investigating Officer is authorised to interview appropriate UK Deaf Sport users on a confidential and, if necessary, anonymous basis. The Investigating Officer is also free to discuss the allegations with the UKDS Treasurer, unless the Treasurer is the alleged perpetrator.

¹ Deaf Direct Finance Office

4. The Response Plan

The attached flow chart describes UKDS's reporting mechanism which complainants should follow when they suspect fraud. When investigating the allegation UKDS will use its normal procedures for evidence gathering and collation in a manner that will facilitate informed decisions whilst ensuring that the evidence gathered will be admissible in any future criminal or civil action.

It is stressed that under no circumstances should members of staff speak or write to representatives of the press, TV, radio or another third party about the suspected fraud.

5. Reporting Procedure

Where someone suspects fraud related to UKDS they should normally approach the Chair to the Board of Trustees/Directors who is the nominated Investigating Officer. The complainant will be informed of the course of action which will be taken. The Chair (The Investigating Officer) will notify the Internal Audit Service of the allegation at the earliest opportunity.

Matters raised under the auspices of this policy will ultimately be reported to the Board of Trustees/Directors.

If the complainant feels that their concern is not being properly dealt with by the Investigating Officer, then the complainant has the right to raise their concern with the Vice Chair and if necessary with the Board of Trustees/Directors. Even if the Board of Trustees/Directors is unable to agree that the allegation is well founded, the complainant has the right to approach the Internal Audit Service who will then investigate the concern.

If the outcome of the investigation is that the complainant has made deliberately false and malicious accusations, then appropriate Disciplinary Procedures will be invoked.

6. Recording Concern

A log will be kept by the Investigating Officer of all matters reported under this Policy. It will contain details of allegations, action taken and conclusions reached. Where the log has been added or amended during the course of a financial year, a summary report will be presented to the Board of Trustees/Directors. The Auditor may at any time review the Investigating Officer's log.

7. Managing the Investigation

The circumstances of each case will dictate who will be involved and when. The following is intended to be general guidance to assist management in deciding the best course of action:

The Investigating Officer (or person appointed to undertake the investigation by the Investigating Officer) should initiate a diary of events to record the progress of the investigation.

If, at any time during the investigation, the Investigating Officer believes that a criminal act may have occurred, the Police, Auditor should be informed. If it appears that a criminal act has not taken place then an internal investigation should be undertaken to determine the facts, what if any disciplinary action is needed, what can be done to

recover the loss, and what needs to be done to improve internal controls to prevent such an event happening again. The person being investigated has the right to be accompanied by a friend or nominated advocate at all times.

Where no criminal act has taken place, the event could have three outcomes:-

- i) Where gross misconduct is proven, dismissal is the likely outcome.
- ii) Where it is felt there was negligence or an error of judgement, then dismissal is unlikely but a warning in accordance with the Disciplinary Procedure may be given.
- iii) It may be concluded that there is no case for the individual to answer.

In each case the Investigating Officer should consider what can be done to recover any loss and whether anything should be done to improve control to prevent the event happening again.

8. Recovering a Loss

In each case the Investigating Officer should consider what can be done to recover any loss and whether anything should be done to improve control to prevent the event happening again.

9. Disciplinary Procedure

Where disciplinary action is considered the organisation will use its standard disciplinary procedure.