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Fraud Response & Protection Policy

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Fraud Response & Protection Policy

1: Introduction

WELL Associates Ltd is committed to the highest standards of openness, probity and accountability and will not tolerate fraud and is committed to reducing its risk of fraud to the lowest possible level. This Policy is a public statement of WELL's resolve to prevent, detect and act upon cases of fraud in a robust manner.

This Fraud Prevention Policy aims to emphasise the responsibilities of all management and staff in relation to the identification and reporting of fraud.

An antifraud culture aligned with good awareness of both internal controls and the possible indicators of fraud will help to ensure that the WELL continues to protect its assets and safeguards its disbursement of public monies. Fraudulent activities include theft.

Suspicion of fraud is currently captured through a number of reporting mechanisms:

WELL's Financial Regulations:

The key resources for the identification of suspected fraud is the vigilance of staff in their day to day work.

All employees have a duty under WELL's Financial Regulations to report suspicion of fraud.

Whistleblowing Policy:

The Policy provides a mechanism whereby staff may report concerns in confidence without their identity being disclosed. The Fraud Response & Protection Policy interfaces with the Whistleblowing policy but is not the same.

Whilst 'whistle blowing' can relate to a whole range of ethical and academic matters, a Fraud Response & Protection Policy is more specifically targeted on financial matters. This Policy, therefore, works alongside WELL's Whistle Blowing Policy.

Internal Audit Work:

A regular internal audit takes place to take into consideration the risk of fraud occurring, especially in those systems where a high potential for fraud exists. Systems are required to be tested to ensure that the risk of fraud is minimised and auditors are always alert to any control weaknesses that allow impropriety or fraud to occur.

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Operation of Proper Procedures:

On an operational basis, Management has primary responsibility for preventing and detecting fraud. Management is required to establish adequate systems of internal control, including clear operational guidance, appropriate segregation of duties and robust authorisation procedures.

Non-compliance with proper procedures can be an indicator of potential fraud.

2: Basis of the Policy

WELL is committed to a policy which minimises the risk of fraud across the organisation. WELL expects its staff to exercise the highest standards of corporate and personal conduct including:

Accountability: Actions of WELL staff must be able to stand the tests of audit, propriety and professional codes of conduct

Probity: absolute honesty and integrity should be exercised in dealing with assets, staff, students, suppliers and the public;

Openness: WELL's activities should be sufficiently public and transparent to promote confidence between the organisation and its funding partners, staff, learners, participants and the public.

Reported or suspected fraud will normally be investigated in accordance with this policy, except where they involve straightforward acts of misconduct by WELL staff, in which case investigation under the WELL staff disciplinary procedures may be the most appropriate response.

Acts of theft, fraud and deliberate falsification of records by WELL staff are considered acts of gross misconduct in terms of WELL's staff disciplinary procedures. Other less serious breaches of financial regulations represent misconduct.

The creation of an anti-fraud culture is a key objective of this Policy. Staff require to understand the potential risk of fraud faced by the organisation and that fraud is a serious matter. It is the responsibility of all staff to be fraud aware and take the necessary steps to minimise the risk to the organisation. To facilitate this, the Fraud Prevention Policy will be disseminated widely throughout the organisation.

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3: Purpose & Definitions

The purpose of the Fraud Response & Protection Policy is to further enhance systems, policies and procedures which deter acts of fraud.

For the purpose of this policy, fraud may be defined as the use of deception with the intention of obtaining advantage, and of prejudicing or intending to prejudice the interests of another party.

Three of the most common examples of fraud are also defined as follows:

Theft: misappropriation of the organisation's property.

Corruption: the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.

Irregularity: any breach of the standards of financial integrity required by WELL including a breach of the Financial Regulations.

4: Management & Staff Responsibilities

Managers should be alert to the possibility that unusual events may be the symptoms of fraud or attempted fraud.

Employees with managerial responsibility are also responsible for ensuring that an adequate system of internal control exists within their area of responsibility, appropriate to the risk involved and that those controls are properly operated and complied with.

Managers have the prime role in the prevention of fraud because the effective enforcement of the organisations internal controls fall largely on them.

In practice, fraud often occurs because of weaknesses in control – either control processes are absent, ineffective or not being complied with.

All staff are responsible for:

- Acting with propriety in the use of the organisations resources and in the handling and use of funds, whether they are involved with cash or other forms of payment systems, receipts or dealing with contractors and suppliers;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud

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- Reporting details immediately to their line manager or where appropriate directly to the Strategic Director if they suspect that a fraud or irregularity has been committed or see any suspicious acts or events;
- Co-operating fully with WELL employees or agents conducting internal checks or reviews or fraud investigations.

Staff should feel free to bring to Management's attention areas of weakness they have identified in the procedures they use and to suggest improvements to these procedures to reduce the possibility of fraud. Confidentiality will be respected.

5: Adherence to Organisational Regulations, Policies & Procedures

The organisation seeks to minimise the opportunities for fraud through carefully designed and consistently operated management procedures. Staff should receive regular training in the operation of these.

A key factor in guarding against fraud is for there to be adequate segregation of duties, so that no one individual has overall management of payments, income or assets. Clear division of responsibility will assist this.

The organisation will continue to seek to ensure that WELL regulations, policies and procedures are regularly updated and disseminated widely.

6: Code of Conduct on Commercial Ethics

The purpose of this Code is to ensure that in all dealings with commercial partners, the interests of the organisation remain paramount, and that personal or family gain, or the perception thereof, are avoided.

The Code aims to ensure that:

- The conduct of individual members of staff does not foster the suspicion of any conflict between their official duty and their personal interest;
- Dealings with suppliers are honest, fair and impartial;
- Suppliers and contractors are aware that the organisation will not engage in business with firms that seek to circumvent the organisations procurement policies, or which offer inducements to WELL staff.

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7: Gifts & Hospitality

The acceptance of gifts or hospitality is an area of potential corruption in any organisation.

Other than under their normal remuneration arrangements, it is not acceptable for a member of staff to accept any fee or reward whatsoever, for:

- doing, or refraining from doing, anything in their employment capacity;
- showing favour or disfavour to any person in their employment capacity.

Under no circumstances should a gift or concession of any sort be accepted where this could be construed as reward for services rendered or an inducement to act in a particular way.

The organisation operates in an environment where staff require to work closely with funders, professional advisers and business colleagues.

Normal business hospitality is acceptable in such circumstances, but staff need to exercise care in ensuring that the interests of the organisation remain paramount, and that personal or family gain, or the perception thereof, are avoided.

If any doubt exists, the CEO, in the first instance, should be consulted regarding the acceptance of any hospitality/gift.

It is a requirement that the organisation keep a record of all business hospitality received.

8: The Role of the Audit

The role of audit within the organisation is undertaken by an in-house team and by external auditors appointed as required. While the responsibility for the prevention and detection of fraud rests with Management, audit can aid in fulfilling this responsibility.

Internal and external audit work provides assurance that there are adequate controls within systems and, on the basis of sample checks that controls are being complied with.

9: Notification of Suspected Fraud

The organisation is committed to maintaining an honest and open environment to reduce the risk of fraud to the lowest possible level within the organisation, and to the rigorous investigation of any suspected fraud.

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The organisation therefore wishes to encourage anyone having reasonable suspicions of fraud to report them and will maintain their confidentiality. No employee will be disadvantaged in any way as a result of reporting reasonably held suspicions.

Such suspicions should be raised in the first instance with the immediate line manager or should the line manager be the subject of suspicion, the next most appropriate senior person. The line manager should then raise the matter with the next most senior person.

Significant fraud is usually where one or more of the following applies:

- The sums of money involved are, or potentially are, in excess of £1,000;
- The particulars of the fraud are novel, unusual or complex;
- There is likely to be public interest because of the nature of the fraud or the people involved.