

Anti-Fraud Policy

Document Control

Item	Details
Policy Title	Anti-Fraud Policy
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Effective Date	
Next Review	
Policy Owner	The Board of Trustees

1.0 Purpose and Legal Basis

Robust anti-fraud measures are a fundamental component of the charity's strategic risk management and governance framework. This policy establishes the Board of Trustees' zero-tolerance approach to fraud, bribery, and corruption, fulfilling their core fiduciary duty to protect the charity's assets and ensure all resources are applied exclusively to its charitable mission. Upholding this policy is essential for maintaining the trust of beneficiaries, donors, and the public.

1.1 Purpose

The core objectives of this policy are:

- To establish a clear framework for preventing, detecting, and responding to fraud, bribery, and corruption.

- To define the responsibilities of all individuals and entities associated with the charity in upholding a culture of integrity.
- To ensure a decisive and consistent response to any suspected fraudulent activity.

1.2 Legal and Regulatory Basis

This policy is grounded in the legal and regulatory framework governing charities in the United Kingdom. It is designed to ensure compliance with:

- The duties of trustees under the Charities Act 2011 are to protect charitable assets and act in the charity's best interests.
- The principles of the Fraud Act 2006 and the Bribery Act 2010.
- The specific mandate within the constitution of the charity, particularly clauses relating to the functions and duties of trustees and the application of charitable property.
- Best practice recommendations from the Charity Commission, specifically its guidance on protecting charities from fraud and financial crime.

2.0 Scope

A clearly defined scope is a prerequisite for the universal application of this policy, ensuring that a consistent framework of integrity governs all individuals associated with the charity and all activities undertaken by, or on its behalf.

2.1 Who This Policy Applies To

This policy is binding upon every individual and group associated with the charity, including:

- The Board of Trustees
- Any future staff and volunteers
- All contractors or third parties acting on behalf of the charity
- All grant applicants and recipients

2.2 What This Policy Covers

This policy governs all activities and processes where the charity's assets are at risk, including:

- The grant application, assessment, and management process.
- All financial transactions, including income, expenditure, and expense claims.
- All interactions with external parties are conducted on behalf of the charity.

3.0 Policy Statement

The charity has a zero-tolerance policy towards fraud, bribery, and corruption. The charity expects the highest standards of honesty and integrity from all trustees, appointed persons, grant applicants, and any other parties it engages with. The charity is committed to protecting its funds and assets from any fraudulent activity and will take decisive and appropriate action against any individual or organisation engaged in such practices.

4.0 Definitions

Term	Definition
Fraud	The act of gaining a dishonest advantage, often financial, over another person by deception, including providing false or misleading information in a grant application or misusing awarded funds.
Bribery	Offering, promising, giving, requesting, or accepting a financial or other advantage to induce or reward improper performance of a relevant function or activity.
Corruption	The abuse of entrusted power for private gain, which may include bribery or attempts to influence the outcome of a grant award in an inappropriate manner.
The Charity / CIO	The charity is a Charitable Incorporated Organisation as defined in its Constitution.
Trustee	A charity trustee of the charity, responsible for the overall management and control of the CIO as defined in the charity's governing document.

5.0 Procedures

This section outlines the mandatory operational framework designed to translate the Board's zero-tolerance policy statement into defensible action. These procedures form the auditable controls for preventing, detecting, investigating, and responding to any instance of suspected fraud.

5.1 Prevention

The charity is committed to a proactive approach to fraud prevention through the implementation of robust controls and procedures. These include:

- **Due Diligence:** The charity reserves the right to consult with other grant making trusts, funders, and relevant parties when conducting due diligence on grant applications to verify information and prevent duplicate funding for the same purpose. All due diligence conversations will be conducted in strict compliance with the charity's Overall Data Protection Policy and the UK GDPR.
- **Information Sharing:** The charity may share relevant information with other funders to prevent and detect fraud. All information sharing will be conducted in strict compliance with the charity's Overall Data Protection Policy and the UK GDPR.
- **Financial Controls:** All the charity's expenditure is subject to authorisation by two unrelated trustees. No trustee may co-authorise any financial movement where they have a connected interest, in line with the charity's Internal Financial Controls and Conflict of Interest policies.

5.2 Detection and Reporting

Vigilance and a culture of integrity are key to the early detection of potential fraud.

- **Duty to Report:** All trustees, appointed persons, grant applicants, and other external parties have a duty to report any instances where they are aware of, or suspect, that someone might be defrauding or attempting to inappropriately influence the charity.
- **Reinforcement of Duty:** For all individuals acting on behalf of the charity, this duty to report is formally reinforced by the charity's Whistleblowing Policy.
- **Reporting Channel:** All such concerns must be reported immediately to the Chair of the Board of Trustees.

5.3 Investigation and Response

Upon the discovery or reporting of suspected fraud, the charity will take decisive action. If the Board of Trustees determines there is sufficient evidence of fraud or attempted fraud, it will report the matter to the appropriate authorities, which is likely to include the police and the Charity Commission. Reporting to the Charity Commission will be done in line with its guidance on reporting Serious Incidents.

5.4 Sanctions and Recovery

The charity will pursue all appropriate sanctions and remedies against those who perpetrate or attempt to perpetrate fraud against it.

- **Grant-Related Sanctions:** The discovery of fraudulent information is likely to result in the rejection of a grant application or the cancellation of a previously

awarded grant. Where payments have already been made, the charity will require that the funds be returned.

- **Cooperation with Authorities:** The charity will collaborate with relevant authorities to investigate any incident and will provide support for any subsequent prosecution.
- **Civil Recovery:** The charity reserves the right to seek civil recovery of any funds not used for its stated purpose, as well as the reasonable costs incurred in seeking such recovery.

6.0 Roles and Responsibilities

Role	Assigned Responsibilities
The Board of Trustees	Retains ultimate accountability for this policy, for ensuring robust internal controls are in place to prevent and detect fraud, and for making final decisions on reporting matters to the relevant authorities.
The Chair of the Board	Acts as the designated point of contact for receiving all reports of suspected fraud and is responsible for initiating the appropriate response in consultation with the full Board. The Chair will ensure the process is managed confidentially and without prejudice to those involved, pending the outcome of any investigation.
All Trustees, Volunteers, Contractors, and Grant Applicants	Have a personal responsibility to act with honesty and integrity in all their dealings with the charity and a duty to report any concerns or suspicions of fraud without delay.

7.0 Implementation

1. **Effective Date:** This policy is effective immediately upon its formal adoption by the Board of Trustees.
2. **Communication:** This policy will be communicated to all trustees and volunteers. Its principles will be clearly referenced in grant application materials to ensure all applicants are aware of the charity's expectations and its zero-tolerance stance on fraud.

8.0 Monitoring, Review, and Reporting

- **Reporting:** Any incidents of fraud or attempted fraud, and the actions taken in response, will be formally reported to and reviewed by the full Board of Trustees. This review, and the decisions taken, will be formally minuted to create an auditable record of the Board's oversight, allowing for organisational learning and the strengthening of internal controls.
- **Annual Review:** This policy will be formally reviewed by the Board of Trustees on an annual basis to ensure its continued fitness for purpose. The review date noted in the header of this document will be updated upon the completion of each review.

9.0 Related Policies and Documents

- Internal Financial Controls Policy ([ORG/FIN/004])
- Risk Management Policy ([ORG/GOV/002])
- Conflict of Interest Policy ([ORG/GOV/001])
- Complaints Handling Policy ([ORG/GOV/004])