

## THE ABBEYFIELD FERRING SOCIETY LTD POLICY & PROCEDURE/GOOD PRACTICE GUIDELINES

Policy Ref:	AF031	Effective date:	February 2017
Owner:	Abbeyfield Ferring Society	Review date:	February 2020

Title:	Fraud Policy
1. Background	<ul style="list-style-type: none"> <li>Abbeyfield Ferring Society requires all staff and volunteers at all times to act honestly and with integrity and to safeguard the assets and cash resources of Abbeyfield Ferring Society as well as those belonging to the people-we-support.</li> <li>Fraud is an ever-present threat and must be a concern to all members of staff and volunteers. Fraud may occur internally or externally and may be perpetrated by staff, management, board members, consultants, suppliers or contractors, individually or in collusion with others.</li> <li>The purpose of this document is to set out your responsibilities with regard to fraud prevention, what to do if you suspect fraud and the action that will be taken by management.</li> </ul>
2. Objectives	<p><b>Objectives of the process:</b></p> <ul style="list-style-type: none"> <li>Set out the responsibilities for preventing &amp; detecting fraud</li> <li>Set out the key anti-fraud measures employed by the organisation and the actions that should be undertaken on the detection of a fraud.</li> </ul> <p><b>Measures of success:</b></p> <ul style="list-style-type: none"> <li>Fraud detection is increased.</li> <li>Actual instances of fraud reduce. This is of course a difficult measure as this includes known &amp; unknown frauds.</li> </ul>
3. Scope	<p>This policy applies to all of Abbeyfield Ferring Society managed operations. It will also apply to Abbeyfield Ferring Society residents and service users regarding theft, misuse or misappropriation of money or property, when under Abbeyfield Ferring Society care. As regarding Abbeyfield Ferring Society residents and service users it will only be considered as a fraud when it absolutely clear that a fraud has occurred or, if there is some doubt, but the amount involved is over £1000.</p> <p>The policy should be read by all.</p>
4. Policy	
4.1.	<p><b>Definition of Fraud</b></p> <p>The term fraud is used to describe a whole range of activities such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. Generally, however, fraud involves the intention to deceive a person or organisation in order to obtain an advantage, avoid an obligation or cause loss.</p> <p>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.</p>

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	<p>All staff and volunteers have a duty to familiarise themselves with the types of improprieties that might be expected to occur within their areas of responsibility and to be alert for any indications or irregularity.</p>
4.2.	<p><b>Responsibilities</b></p> <p><b>All staff and volunteers</b> , are responsible for:</p> <ul style="list-style-type: none"> <li>Acting with propriety in respect of the assets and cash resources of Abbeyfield, whether they are involved with cash, payments, receipts, contractors, suppliers or customers;</li> <li>Reporting details immediately to their line manager, the Administration Office Manager, and Executive Committee if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed.</li> <li>Being aware of the Abbeyfield Ferring Society Whistle-Blowing policy</li> </ul>
4.2.1	
4.2.2	<p><b>Line Managers</b></p> <p>The day to day responsibility for the prevention and detection of fraud rests with line managers who are responsible for:</p> <ul style="list-style-type: none"> <li>Identifying the risks. Line managers should be alert to the possibility that unusual events or transactions can be symptoms of fraud; and</li> <li>Ensuring that controls for the prevention and detection of fraud are complied with.</li> <li>Staff from Finance/Administration are available to offer advice and assistance on control issues and managers are encouraged to make use of this service.</li> </ul>
4.2.3	<p><b>Executive Committee / Administration Office Manager</b></p> <p>The Executive Committee, supported by the Administration Office Manager is responsible for the overall management of anti-fraud measures. Key measures include:</p> <ul style="list-style-type: none"> <li>No one person can initiate, authorise and execute any financial transactions. This is maintained by a tiered level of authorisation via a system of passwords on computerised systems and the requirement of two signatories on cheques and other Bank instructions.</li> <li>Abbeyfield Ferring Society's accountants will undertake quarterly reviews of financial services; to ensure that monies are correctly received, spent, kept secure and all transactions recorded.</li> <li>The executive committee will conduct frequent audits of all other services.</li> <li>Where reviews and audits suggest that indicators of fraud may be present then</li> </ul>

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	<p>an immediate audit of the Service will be undertaken.</p> <ul style="list-style-type: none"> <li>• External Audit of the Financial Statements. Whilst it is not the direct responsibility of the Auditors to prevent or detect fraud, their audit work would be expected to test the validity of balances within the accounting records and to report to management any weaknesses that they encounter within the control systems.</li> <li>• References are taken up by the Administration Office manager on all employees of Abbeyfield Ferring Society. All employees and volunteers of Abbeyfield Ferring Society are vetted by the Disclosure and Barring Service.</li> <li>• Systems are also in place to pre-authorise the employment of relatives of existing employees.</li> <li>• Purchasing cards and petty cash floats are reconciled to the returns from the holders and the balances within the financial records of Abbeyfield Ferring Society. Exposure is limited by the establishment of spending limits on each card in view of the level of normal spending that is required in order to complete the tasks required of the cardholder. Outstanding returns are identified promptly and the appropriate action is taken.</li> <li>• Financial and operational reporting should include analysis of trends and expected outcomes sufficient to highlight and resolve material variations to those expected outcomes.</li> </ul>
4.3.	<p><b>Fraud Response Plan</b></p> <p>This fraud response plan provides a checklist of actions and a guide to follow in the event that fraud is suspected. It should be noted that the Board adopts a zero tolerance attitude towards fraud. The Fraud Response plan covers:</p> <ul style="list-style-type: none"> <li>• Notifying suspected fraud</li> <li>• The investigation process</li> <li>• Liaison with police and external audit</li> <li>• Initiation of recovery action</li> <li>• Reporting process</li> </ul> <p><b>Notifying Suspected Fraud</b></p> <p><b>ALL:</b> It is important that all staff are able to report their concerns without fear of reprisal or victimisation and are aware of the means to do so. The Public Interest Disclosure Act 1998 (the “Whistle-blowers Act”) provides appropriate protection for those who voice genuine and legitimate concerns through the proper channels. In the first instance, any suspicion of fraud, theft or other irregularity should be reported, as a matter of urgency, to your line manager. If such action would be inappropriate, your concerns should be reported upwards to one of the following persons:</p>

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- A member of the Executive Committee

All concerns must be reported to the Executive Committee. The Executive Committee will appoint an Investigating Officer Every effort will be made to protect an informant's anonymity if requested.

### ***The Investigation Process***

**ALL:** All suspected fraud must be investigated. This will be done in an independent, open-minded and professional manner with the aim of protecting the interests of Abbeyfield Ferring Society, the people-we-support and the suspected individual(s). Suspicion must not be seen as guilt to be proven. Where initial investigations reveal that there are reasonable grounds for suspicion, and to facilitate grounds for suspicion, and to facilitate the ongoing investigation, it may be appropriate to suspend an employee against whom an accusation has been made.

Suspension should not be regarded as disciplinary action nor should it imply guilt. All interviews will be conducted in a fair and proper manner. Where there is a possibility of subsequent criminal action, the police will be consulted and interviews may be conducted under caution in compliance with the Police and Criminal Evidence Act (PACE), which governs the admissibility of evidence in criminal proceedings.

### ***Liaison with Police***

**Investigating Officer / Executive Committee:** The police will be promptly notified of any suspected fraud. All staff will co-operate fully with any police or external audit enquiries.

### ***Initiation of Recovery Action***

**Investigation Officer / Executive Committee:** Abbeyfield Ferring Society will take appropriate steps, including legal action if necessary, to recover any losses arising from fraud, theft or misconduct. This may include action against third parties involved in the fraud or whose negligent actions contributed to the fraud.

### ***Reporting Process***

**The Investigating Officer:** will keep the involved persons informed of the process and developments

The Investigating Officer will provide a full written report in the standard Abbeyfield Ferring Society format setting out various points, including:

- Background as to how the investigation arose
- What action was taken in response to the allegations
- The conduct of the investigations
- The facts that came to light and the evidence in support

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	<ul style="list-style-type: none"> <li>Action taken against any party where the allegations were proved</li> <li>Action taken to recover any losses</li> <li>Considering whether any internal control failures aided and abetted the fraud and, if so, appropriate corrective actions are recommended.</li> </ul> <p>The Fraud report is to be approved by the Executive Committee and then forwarded to the Administration Office Manager who will place it in a fraud register for the Chairman of the Executive Committee to sign.</p> <p>Attempted, suspected or proven fraud shall be reported to the Homes and Communities Agency (HCA), if over £5k.</p> <p>Fraud in a Care Home requires CQC to be informed. This is done by the Care Home Manager.</p>
5. Finance	TBC
6. Supporting Appendices	None
7. Linked policies	<p>This policy should be read in conjunction with:</p> <ul style="list-style-type: none"> <li>Whistle-Blowing policy</li> <li>Recruitment &amp; selection policies (covers checks required)</li> <li>Disciplinary policies as appropriate</li> <li>Safeguarding policies as appropriate</li> <li>Anti-Bribery Policy</li> </ul>
8. Legislation / Regulation	TBC
9. Review	<p>Every 3 years, subject to any regulatory or legislative updates.</p> <p>The policy is produced by the Finance/Administration Office. It is reviewed by the Abbeyfield Ferring Audit Committee (on behalf of the Executive Committee).</p> <p>The policy will be implemented by all Abbeyfield Ferring Society Staff and volunteers.</p>
10. Procedure / Guidance	N/A