



**ENABLE**

The Voluntary and Community Sector  
Learning and Skills Consortium

# **Anti Fraud Prevention Policy 2019/20**

## Change History

<b>First Published:</b>	2019	<b>Originally Created by:</b>	Senior Management Team
<b>Person Responsible for Policy:</b>	Enable CEO		
<b>Date of Review</b>	<b>Reviewed by</b>	<b>Policy changes</b>	<b>Approved by</b>
09/01/2020	SMT	None	CEO

## Policy

Enable requires all staff, volunteers, delivery partners and anyone acting on its behalf at all times to act honestly and with integrity to safeguard the funding resources for which Enable is responsible. Fraud is an ever-present threat to resources. All members of Enable staff, volunteers, delivery partners must therefore remain alert to the risk that fraud or other irregularity could occur in their area of responsibility.

Enable will not tolerate any level of fraud or corruption; and any case identified will be thoroughly investigated and dealt with appropriately. All actions taken by Enable shall be in accordance with the law, relevant Enable procedures and requirements set out in the ESFA Audit Code of Practice.

This policy applies to all employees and anyone acting for, or on behalf of Enable (“associated persons”), including trustees, other volunteers, temporary workers, consultants, contractors and delivery partners.

### What is fraud?

The Fraud Act 2006 came into force on the 15<sup>th</sup> January 2007, and fraud has been given a legal definition. The act introduces provision for a general offence of fraud which is broken into three sections:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

### **Fraud by False Representation**

Representation must be made dishonestly, with the intention of making a gain or causing a loss or risk of loss to another.

A representation is defined as false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading. Representation can be stated by words or communicated by conduct, i.e. written, spoken or by electronic means.

### **Fraud by Failing to Disclose Information**

Fraud by failing to disclose information indicates that fraud has been committed if individuals fail to declare information which they have a legal duty to disclose; if individuals act dishonestly and intend to make a gain for themselves, cause loss to another or expose another to a risk of loss.

### **Fraud by Abuse of Position**

Fraud by abuse of position requires a person who is in a privileged position to act dishonestly by abusing the position held; and by doing so, fails to disclose to another person, information which they are legally required to disclose. The dishonest act must be with the intention of making a gain for themselves or another. Alternatively it may be with the intention of causing a loss or risk of loss to another. The offence may be committed by omitting to make a declaration as well as by an act.

The introduction of the Fraud Act 2006 does not prevent the prosecution of offences under the various Theft Acts and Forgery and Counterfeiting Act, e.g. theft, counterfeiting and falsification of documents.

Fraud can be committed by persons outside as well as inside of Enable. In the Enable context fraud or irregularity could include:

- pilfering of stock
- improper use of telephone/fax facilities
- unauthorised use of College equipment (including computers), theft of cash or equipment
- improper manipulation of computer programmes or data collusion with others for illicit gain
- falsification of documentation such as registers, enrolment forms, timetables, salary claims, financial records and claims for travel and subsistence or other allowances
- improper/inaccurate claims for overtime or time off in lieu
- any other impropriety.

External attempts at fraud or irregularity could include:

- submission of false invoices
- demands for payment for unsolicited goods
- contractor frauds involving overcharging, sub-standard work, bid rigging and/or collusion in competition for services
- fraudulent claims for Enable funds.

### **Prevention of Fraud/Irregularity**

The management and financial systems at Enable are designed to incorporate appropriate controls for the prevention of fraud. These controls include:

- appropriate organisational structures
- complete, accurate and up to date records
- clearly defined written responsibilities
- clearly defined lines for reporting
- regulations and associated procedural guides
- audit investigations/reviews
- complete adherence to financial regulations
- regular finance committee meetings

## Responsibility for prevention

The Board of Trustees and CEO are ultimately responsible for the management and accountability arrangements. The CEO is responsible for ensuring that an adequate system of internal control operates effectively. The responsibility for the prevention and detection of fraud therefore rests primarily with the CEO, although all staff are responsible for ensuring that fraud does not occur.

Staff, volunteers and delivery partners are required to report any circumstances which could be deemed to be fraud or corruption (or suspected fraud or corruption) within Enable under the whistle blowing policy. They are also required to report any potential fraud or corruption in any delivery partner or employer with which enable works whether or not enable is affected by the fraud or corruption, as enable may have a legal duty to report such matters to the police or others.

Such reports should be made to Enable finance, the Chief Executive or the Chair depending on the circumstances, with any worries or concerns the person making the report may have. All matters reported will be dealt with in confidence and in strict accordance with the terms of the public interest disclosure act 2003 which covers staff, agents and others. Volunteers will be treated by Enable in the same way although they are not covered by this act.

Enable is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk. See Enable financial control, corporate governance and risk policy.

Enable trustee board and senior management are responsible for the prevention, detection and investigation of irregularities in the event of fraud and corruption. Enable has the responsibility to report any serious incidents including fraud and corruption to the charity commission. The chair, Chief Executive and treasurer are those primarily responsible for reporting any suspected or actual incidents to the charity commission as soon as they become aware of them.

Enable will pursue formal action against anyone who is shown to have been involved in fraud and corruption under the disciplinary policy and will involve the police or other relevant authorities when appropriate. Disciplinary action will be pursued against any member of staff or volunteer proven through investigation to be aware of and/or failing to report a fraud.

## Investigation

Enable will conduct an investigation in order to establish and secure evidence as part of the enable disciplinary procedure. In these circumstances, the chief executive and or finance will need to decide on the course of action in line with enable's policies and procedures and current legislation. If appropriate, the chair will be informed of such investigations and will inform other board members as appropriate.

In the course of such investigations, the chief executive may seek specialist; legal or other advice. The use of such advice, and the resultant costs, need to be weighed against the benefits in terms of the value of the loss being recovered. Any substantial costs of such advice will require the approval of the sub finance committee. In the case of any actual or potential significant financial loss, finance and/or the treasurer will prepare a confidential report for the Trustee Board covering the following areas:

- quantification of losses (or best estimate);
- strategy for recovery of these losses;
- a summary of resources needed to complete the work;
- actions taken to prevent and detect similar incidents; and
- Recommendations on system design to reduce the risk of recurrence.

The Chair and the Chief Executive will be given the report immediately. The report will then be disclosed to the Trustee Board following completion of the investigation and any necessary disciplinary action. This will ensure that trustees are available to hear appeals under the disciplinary process without being prejudiced by management's views.

**Signed:** \_\_\_\_\_

**Position:** \_\_\_\_\_

**Date:** \_\_\_\_\_

