

## **ANTI-FRAUD POLICY**

### **1. INTRODUCTION**

- 1.1 This document sets out Volleyball England's ("the **Organisation**") policy and procedures in respect of fraud and other forms of dishonesty, together with the steps that must be taken where any of these practices is suspected or discovered.
- 1.2 It applies to the Board, staff, volunteers and suppliers, contractors, consultants and other service users that the Organisation works with ("the **Partners**").
- 1.3 Anybody associated with the Organisation who commits fraud, theft or any other dishonesty, or who becomes aware of it and does not report it, will be subject to appropriate disciplinary action.
- 1.4 The Organisation is committed to protecting the public funds with which it has been entrusted. To ensure resources are used for their intended purpose in line with the strategy (the Game Plan), it is essential that losses due to fraud and corruption are minimised.
- 1.5 The public are entitled to expect that the Organisation will conduct its affairs with integrity, honesty and openness, and demand the highest standards of conduct from the Board, staff, volunteers, and the Organisation's Partners. This Policy outlines the Organisation's commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds.

### **2. STATEMENT OF INTENT**

- 2.1 The Organisation will conduct its business in a legal and ethical manner in line with its vision and values. We are committed to the prevention of fraud and to the promotion of an anti-fraud culture.
- 2.2 We operate a zero-tolerance attitude to fraud and require the Board, staff, volunteers and our other Partners to act honestly and with integrity at all times, and to report all reasonable suspicions of fraud.
- 2.3 The Organisation will continually strive to ensure that all its financial and administrative processes are carried out and reported honestly, accurately, transparently and accountably and that all decisions are taken objectively and free of personal interest. We will not condone any behaviour that falls short of these principles.

- 2.4 All members of the Organisation have a responsibility for putting these principles into practice and for reporting any breaches they discover.
- 2.5 The Organisation will investigate all instances of actual, attempted and suspected fraud committed by any member of the Board, staff, volunteers or other Partners and will seek to recover funds and assets lost through fraud.
- 2.6 You may commit a criminal offence if you fail to comply with this Policy.

### **3. DEFINITION OF FRAUD**

- 3.1 Fraud is broadly defined in case law (*Derry v Peek*, 1889) as:  
*'someone intentionally or recklessly obtaining resources to which they are not entitled'.*
- 3.2 The offences of theft, fraud, bribery and forgery are rooted in the Theft Acts of 1968 and 1978, The Fraud Act 2006, Bribery Act 2010 and the Forgery and Counterfeiting Act 1981.
- 3.3 Section 1 of the Theft Act 1968 defines theft as:  
*'dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it'.*
- 3.4 Fraud can arise in a number of different scenarios.
- 3.5 For the purposes of this policy fraud shall be as defied in the Fraud Act 2006. This is summarised below:
  - 3.5.1 A person is guilty of fraud if he dishonestly makes a false representation, or intends, by making the representation to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.
  - 3.5.2 To make a representation that is false untrue or misleading.
  - 3.5.3 Fraud by failing to disclose information: If an individual dishonestly fails to disclose to another person information which he is under a legal duty to disclose.
  - 3.5.4 Fraud by abuse of position: If an individual occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person or organisation.
  - 3.5.5 "Gain" and "loss": The references to gain and loss extend only to gain or loss in money or other property.

#### **4. CULTURE**

4.1 The Organisation's culture is intended to foster honesty and integrity and is underpinned by seven principles of behaviour. These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Board, staff and volunteers are expected to lead by example in adhering to policies, procedures and practices. Equally, members of the public, service users and other partners are expected to act with integrity and without intent to commit fraud against the Organisation in any dealings they may have with them.

4.2 The Organisation is committed to preventing fraud and corruption from occurring and to developing an anti-fraud culture. To achieve this the Organisation will comply with the requirements by:

- 4.2.1 developing and maintaining effective controls to prevent fraud;
- 4.2.2 ensuring that if fraud occurs a vigorous and prompt investigation takes place;
- 4.2.3 taking appropriate disciplinary and legal action in all cases, where justified;
- 4.2.4 reviewing systems and procedures to prevent similar frauds;
- 4.2.5 investigating whether there has been a failure in supervision and taking appropriate disciplinary action where supervisory failures occurred; and
- 4.2.6 recording and reporting all discovered cases of fraud.

4.3 The following policies and principles apply:

- 4.3.1 The Organisation's staff must have, and be seen to have, the highest standards of honesty, propriety and integrity in the exercise of their duties.
- 4.3.2 The Organisation will not tolerate fraud, impropriety or dishonesty and will investigate all instances of suspected fraud, impropriety, or dishonest conduct by the Board, staff, volunteers or other Partners.
- 4.3.3 Staff must not defraud the Organisation, other staff and/or Partners in any way.
- 4.3.4 The Organisation will take action – including dismissal and/or criminal prosecution where appropriate - against any member of the Board, staff or volunteers defrauding (or attempting to defraud) the Organisation, other staff, volunteers and/or other Partners.
- 4.3.5 The Organisation will take action - including criminal prosecution where appropriate - against external organisations defrauding or attempting to defraud the organisation, staff and volunteers or Partners in the course of their work.
- 4.3.6 The Organisation will co-operate fully with any external investigating body.

- 4.3.7 The Organisation will always seek to recover funds lost through fraud.
- 4.3.8 All frauds will be reported to the Chair of the Board and the Finance, Strategy and Risk Sub-Group.

4.4 As part of the culture, the Organisation will provide clear routes by which concerns can be raised and by those inside and outside of the Organisation. A copy of the Organisation's whistleblowing policy (included in the Good Practice Guidance) is available on the website to the Board, staff, volunteers and other Partners.

4.5 Senior management are expected to deal promptly, firmly and fairly with suspicions and allegations of fraud or corrupt practice.

## 5. **RESPONSIBILITIES**

In relation to the prevention of fraud, theft, misuse of equipment and abuse of position, specific responsibilities are as follows:

- 5.1 Board of Directors
  - 5.1.1 The Board are responsible for establishing and maintaining a sound system of internal control that supports the achievement of the Organisation's policies, aims and objectives.
  - 5.1.2 The system of internal control is designed to respond to and manage the whole range of risks that the Organisation faces.
  - 5.1.3 The system of internal control is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk is seen in the context of the management of this wider range of risks.
- 5.2 The Financial Controller:
  - 5.2.1 Is responsible for establishing the internal control system designed to counter the risks faced. They are accountable for the adequacy and effectiveness of these arrangements. Managing fraud risk should be seen in the context of the management of this wider range of risks.
  - 5.2.2 Is responsible for making arrangements for investigating allegations of fraud. These arrangements include the appointment of a suitably qualified senior member of staff to lead the investigation.
  - 5.2.3 Will be responsible for receiving the report of the investigating officer and considering an appropriate response.
- 5.3 The Financial Controller is responsible for assisting the Board member for finance to develop and maintain effective controls against fraud.

5.4 The Financial Controller and Deputy CEO will be responsible for enforcing the Organisation's anti-fraud policies, including, advising (or procuring advice) on whether it is appropriate for the Organisation to:

- 5.4.1 instigate disciplinary and legal action (both civil and criminal) against the perpetrators of fraud;
- 5.4.2 take disciplinary action against supervisors where supervisory failures have contributed to the commission of fraud.

5.5 The Appointed Investigator

- 5.5.1 The appointed investigator shall be a senior member of staff, who will need to be familiar with the Organisation's disciplinary procedures, to ensure that evidential requirements are met during any fraud investigation.
- 5.5.2 To carry out his/her duties the appointed member of staff will have unrestricted access to the Chair, the Board, the Financial Controller and the Finance, Strategy and Risk Sub-Group and the Audit Committee.
- 5.5.3 They will be responsible for investigating allegations of fraud including:
  - (a) carrying out a thorough investigation if fraud is suspected, with the support of internal audit, where necessary;
  - (b) gathering evidence, taking statements and writing reports on suspected frauds;
  - (c) liaising with the finance manager and the Board member for finance where investigations conclude that a fraud has taken place;
  - (d) identifying any weaknesses which contributed to the fraud; and
  - (e) if necessary, making recommendations for remedial action.
  - (f) If the allegations are widespread or involve senior persons within the organisation an independent investigation will take place.

5.6 Overall responsibility for managing the risk of fraud has been delegated to the CEO. Their responsibilities include:

- 5.6.1 Undertaking a regular review of the fraud risks associated with each of the key organisational objectives;
- 5.6.2 Establishing an effective anti-fraud response plan (current copy set out in Appendix 1), in proportion to the level of fraud risk identified;
- 5.6.3 The design of an effective control environment in consultation with the Finance Director to prevent fraud;
- 5.6.4 Establishing appropriate mechanisms for:
  - (a) reporting fraud risk issues;

(b) reporting significant incidents of fraud or attempted fraud to the Board.

5.6.5 Liaising with the Organisation appointed auditors;

5.6.6 Making sure that all staff are aware of this Policy and know what their responsibilities are in relation to combating fraud;

5.6.7 Ensuring that appropriate anti-fraud training is made available to the Board, staff members and volunteers as required; and

5.6.8 Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

5.7 The Senior Management Team ("SMT") DECO, CEO & FC are responsible for:

5.7.1 Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively.

5.7.2 Preventing and detecting fraud as far as possible.

5.7.3 Assessing the types of risk involved in the operations for which they are responsible.

5.7.4 Reviewing the control systems for which they are responsible regularly.

5.7.5 Ensuring that controls are being complied with and their systems continue to operate effectively; and

5.7.6 Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

5.8 Line managers and Coordinators

5.8.1 Line managers are the first line of defence against fraud. They should be alert to the possibility that unusual events may be symptoms of fraud or attempted fraud and that fraud may be highlighted as a result of management checks or be brought to attention by a third party.

5.8.2 They are responsible for:

(a) being aware of the potential for fraud.

(b) ensuring that an adequate system of internal control exists within their area of responsibility, appropriate to the risk involved and those controls are properly operated and complied with; and

(c) reviewing and testing control systems to satisfy themselves the systems continue to operate effectively.

- 5.8.3 Managers should inform the SMT if there are indications that an external organisation (such as a contractor or client) may be trying to defraud (or has defrauded) or its staff carrying out their duties.
- 5.8.4 They should also inform SMT if they suspect their staff may be involved in fraudulent activity, impropriety or dishonest conduct.

5.9 Every member of staff or volunteer is responsible for:

- 5.9.1 Acting with propriety in using the Organisation's resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers;
- 5.9.2 Conducting themselves in accordance with the seven principles set out above;
- 5.9.3 Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- 5.9.4 Alerting their manager when they believe the opportunity for fraud exists e.g. because of poor procedures or lack of effective oversight;
- 5.9.5 Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events; and
- 5.9.6 Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

## **6. PREVENTION**

- 6.1 Fraud and corruption are costly, both in terms of reputational risk and financial losses, as well as time-consuming to identify and investigate, disruptive and unpleasant. The prevention of fraud is therefore a key objective. Measures should be put in place to deny opportunity, provide effective leadership, auditing, employee screening and student recruitment.
- 6.2 Fraud can be minimised through carefully designed and consistently operated procedures, which deny opportunities for fraud. Staff are made aware of policies through the induction programme, training and notification of policy updates. Staff recruitment procedures require applicants to declare any connections with existing Board and staff. Members of staff recruitment panels are similarly required to declare such connections.
- 6.3 Volunteers at all levels are made aware of their responsibilities at their induction. Relevant policies and procedure are available to all staff and volunteer on the Organisation's website.
- 6.4 The Organisation's financial regulations help to ensure that at all times the financial management of the Organisation is conducted in accordance with the highest standards. Continuous management review of systems and reports by internal audit

in line with the agreed annual audit programme should assist in preventing and detecting fraud; and should also result in continuous improvements. The risk of fraud should be a factor for consideration in audit plans.

6.5 The credibility and success of this Policy is dependent largely on how effectively it is communicated throughout the Organisation. To this end, details of this Policy will be provided to the Board, all staff and volunteers and be included in all induction programmes. The Policy will also be published on the Organisation's website.

## **7. DETECTION AND INVESTIGATION**

7.1 Whilst having regard to the requirements of the GDPR, the Organisation actively participates in an exchange of information with external agencies on fraud and corruption. It is often the alertness of the Board, staff or volunteers to the possibility of fraud and corruption that leads to detection of financial irregularity.

7.2 The Chair of the Board and the Finance, Strategy and Risk Sub-Group must be notified immediately of all financial or accounting irregularities or suspected irregularities or of any circumstances which may suggest the possibility of irregularities including those affecting cash, property, remuneration or allowances.

7.3 Reporting of suspected irregularities is essential as it facilitates a proper investigation by experienced staff, and ensures the consistent treatment of information regarding fraud and corruption.

7.4 When so notified, the Chair will appoint an investigator as set out above. The appointed investigator shall:

- 7.4.1 Deal promptly with the matter.
- 7.4.2 Record evidence received.
- 7.4.3 Ensure the security and confidentiality of evidence;
- 7.4.4 Work closely with senior managers and other agencies, such as the police and courts to ensure that all issues are properly investigated and reported upon.
- 7.4.5 Ensure maximum recoveries are made on behalf of the Organisation, and assist the senior managers to implement the Organisation's disciplinary procedures where considered appropriate (referral to the police will not prohibit or restrict action under the disciplinary procedure).

7.5 In cases of suspected payroll irregularities where a fraud investigation may be possible, discussion will occur between the Chair and the CEO if it is thought a disciplinary investigation is more appropriate.

7.6 Malicious accusations may be the subject of disciplinary action.

## **8. DISCIPLINARY ACTION**

- 8.1 In the case of proven fraud, or suspected fraud of a serious nature, the Organisation will always refer the matter to the police and seek prosecution at the earliest possible juncture and recover any losses resulting from fraud, if necessary through civil action.
- 8.2 Following appropriate investigations, the CEO will determine whether to invoke action in accordance with the Grievance and Disciplinary Policy or staff policies (as appropriate).

## **9. PERSONAL CONDUCT**

- 9.1 As stewards of public funds all staff must have, and be seen to have, high standards of honesty, propriety and personal integrity.
- 9.2 Staff are required to report any potential conflict of interest to the CEO (see separate Conflict of Interest Policy included in this good practice guidance).
- 9.3 Staff should not accept gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their personal judgement and integrity.

## PART 5 APPENDIX 1

### FRAUD RESPONSE PLAN

#### 10. INTRODUCTION

10.1 The Organisation has established arrangements for the Board, staff, volunteers or other partners to report any concerns they may have without fear of prejudice or harassment. This applies to concerns relating to fraud and to any other concerns within the context of the Public Interest Disclosure Act 1998.

10.2 Concerns which should be reported include, but are not limited to, any member of the Board, staff, volunteers or other Partners committing or attempting to commit:

- 10.2.1 fraud;
- 10.2.2 any dishonest or fraudulent act;
- 10.2.3 forgery or alteration of documents or accounts;
- 10.2.4 misappropriation of funds, supplies or other assets;
- 10.2.5 impropriety in the handling or reporting of money or financial transactions;
- 10.2.6 profiting from an official position;
- 10.2.7 disclosure of official activities or information for advantage;
- 10.2.8 accepting or seeking value from third parties by virtue of official position or duties;
- 10.2.9 theft or misuse of property, facilities or services.

10.2.10 Other organisations' actions which should be reported include, but are not limited to:

- 10.2.11 being offered a bribe or inducement by a supplier;
- 10.2.12 receiving fraudulent (rather than erroneous) invoices from a supplier;
- 10.2.13 reported allegations of corruption or deception by a supplier.

10.3 The Organisation has established and maintains this plan, which sets out guidance to senior staff in the event of fraud being discovered or suspected. Under the plan:

- 10.3.1 incidents will be logged in a fraud register, which contains details of allegations, investigations and conclusions;

10.3.2 frauds and allegations of fraud will be investigated by an appointed suitably qualified senior member of staff independent of the area under suspicion; and

10.3.3 progress on investigations will be reported to the Chair of the Board as a standing item on the agenda.

## **11. PURPOSE**

The purpose of the plan is to define authority levels, responsibilities for action, and reporting lines in the event of a suspected fraud or irregularity.

## **12. INITIATING ACTION**

12.1 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. See the separate Whistleblowing Policy included in the Good Practice Guidance for further details.

12.2 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:

12.2.1 The Chair of the Board;

12.2.2 Any Director; or

12.2.3 The CEO.

12.3 Suspicion of fraud or irregularity may be captured through a number of means, including:

12.3.1 requirement on all personnel under Financial Regulations as well as the Anti-Fraud Policy to report fraud or irregularity;

12.3.2 public interest disclosure procedure (the Whistleblowing Policy);

12.3.3 planned audit work;

12.3.4 operation of proper management and control procedures.

12.4 All actual or suspected incidents should be reported without delay to the SMT and the Chair of the Board, who should, as soon as practicable and preferably within two working days, convene a meeting (which may be by telephone). The following project group (save to the extent any are alleged to be connected to the fraud or irregularity in any way) or their nominees will decide what the initial response should be:

12.4.1 The Chairman of the Board;

- 12.4.2 The CEO;
- 12.4.3 The Financial Controller;
- 12.4.4 Others as determined by the Chair of the Board ("The Project Group")
- 12.5 Where the suspicion relates to the Chair, reporting should be done to the Vice-Chair of the Board.
- 12.6 The Project Group will decide on the action to be taken. This will normally be an investigation, led by the appointed investigator under the direction of the Project Group.
- 12.7 The decision by the Project Group to initiate a special investigation shall be under the delegated responsibility of the Board. The Project Group will also consider its membership and the need to include representatives from other specialist areas when appropriate.
- 12.8 Where an investigation is to take place, and the matter implicates any of the individuals in the Project Group, another person with senior management responsibility shall be appointed to the Project Group by the Chair of the Board.
- 12.9 Every effort will be made to protect an informant's anonymity where practical and permitted by law.