



Fraud Prevention Policy

Approved by Board of Trustees on: June 26th 2018

Lead Staff Member: SFO

Lead Trustee: Treasurer

Prevention of Fraud Policy

Introduction

1. The purpose of this statement is to provide Paddington Development Trust's policy on fraud and set out our responsibilities for its prevention. It also refers you to the Fraud Response Plan – Appendix 1, which outlines the action to be taken if you discover or suspect fraud.
2. PDT requires staff and volunteers at all times to act honestly and with integrity and to safeguard the resources for which they are responsible. Fraud is an ever-present threat to these resources and hence must be a concern of all members of staff.

What is Fraud?

3. 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.
4. The term also includes the use of information technology equipment to manipulate programmes or data dishonestly, the theft of IT equipment and software, and the intentional misuse of computer time and resources.

PDT's Attitude to Fraud

5. Paddington Development Trust takes the most serious view of any attempt to commit fraud by members of staff, contractors, their employees and agents acting on behalf of the PDT and others. Staff involved in impropriety of any kind will be subject to disciplinary action, including prosecution, if appropriate. PDT treats attempted fraud as seriously as accomplished fraud.

Responsibilities

6. Paddington Development Trust is responsible to the Trustees for:
 - Developing and maintaining effective controls to help prevent or detect fraud;
 - Carrying out vigorous and prompt investigations if fraud occurs;

- Taking appropriate disciplinary and/or legal action against perpetrators of fraud;
- Taking disciplinary action against managers where their failures have contributed to the commission of the fraud.

Staff Responsibilities

7. Line managers are responsible for the prevention and detection of fraud by ensuring that an adequate system of internal control exists within their areas of responsibility, and these controls operate effectively.
8. As a result there is a need for all managers to:
 - Identify and assess the risks involved in the operations for which they are responsible;
 - Develop and maintain effective controls to prevent and detect fraud;
 - Ensure compliance with controls; and
 - Ensure that agreed procedures are followed.
9. Every member of staff:
 - Has a duty to ensure that public funds, PDT's reputation and its assets are safeguarded;
 - Should alert their line manager where they believe the opportunity for fraud exists because of poor procedures or lack of effective supervision;
 - Has a responsibility to report details of (a) any suspected or actual fraud, or (b) any suspicious acts or events, to their line manager or Senior Finance Officer.
 - Assist in any investigations by making available all relevant information and by co-operating in interviews.
10. The Senior Finance Officer
 - Should be contacted if fraud is suspected or discovered,
 - Is responsible for investigating actual or suspected fraud,
 - Will complete a review of control systems once their investigation has been completed, and
 - Is available to offer advice and assistance on risk and control issues.

Fraud Response Plan

11. PDT has prepared a fraud response plan which can act as a checklist of actions and a guide to follow in the event of fraud being suspected.
12. A copy of the Fraud Response Plan is attached to this policy as Appendix 1 and is also available in PDT's Policy and Procedure File.