



Alt Valley

Empowering Communities

Anti-Fraud Policy

Reviewed 01.03.2023

Next Review due by 01.03.2024

Background

1.1. The term 'fraud' is commonly used to describe a wide range of misconducts including theft, corruption, embezzlement, bribery, forgery, misrepresentation, collusion, money laundering and concealment of material facts. It often involves the use of deception to make a personal gain for oneself, a connected person or a third party, or a loss for another – intention is the key element that distinguishes fraud from irregularity.

1.2 Fraud does not just have a potential financial impact, but it can cause damage to the reputation of an organisation responsible for managing funds effectively and efficiently.

2. Preventing fraud - responsibility

2.1. AVCT is committed to maintaining high legal, ethical and moral standards, to adhere to the principles of integrity, objectivity and honesty and actively oppose fraud and corruption.

2.2 AVCT will:

- promote a culture within their project(s) that deters fraudulent activity;
- facilitate the prevention and detection of fraud;
- report to the lead organisation at the earliest opportunity any fraud or suspected fraud they identify in their project(s);
- co-operate with relevant organisations in the investigation of fraud and related offences.

2.3 AVCT is committed to putting in place safeguards to deter and prevent fraud;

Senior project staff are committed to preventing and detecting fraud and in co-operating with any investigations;

AVCT will respond to the risk of internal and external fraud swiftly and individuals can report concerns and suspicions of fraud to AVCT Management and the arrangements for whistleblowers to raise concerns is contained within the Whistleblowing Policy.

3. Good practice in the prevention of fraud

3.1 Finance

The following actions represent good practice that will help to reduce the risk of fraud arising:

- AVCT ensures there is a segregation of duties for financial processes. No individual has sole responsibility for any single transaction.
- Basic records of all income and expenditure are kept, as well as receipts, invoices and supporting documents which are required as per the project claims procedure.
- Financial controls are in place to ensure robust financial management of the project.
- Bank statements are required to allow expenditure to be included in claims.
- Senior Management set the tone and standards expected to ensure a robust culture of control is embedded across the organisation
- AVCT carry out a review of financial controls and procedures annually.

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4. Whistleblowing policy

4.1 The Whistleblowing policy covers issues that are broader than fraud related incidents – it sets out the procedures for when there are concerns about any type of crime. It includes:

Concerns can be reported anonymously to Senior Management or people can speak to a line manager or other senior staff member.

5. Spotting the warning signs

5.1 Most fraud can be caught by internal controls or audit processes so as part of VNC's robust project management, regular checks on accounts and records will take place to identify any early warning signs:

Questions considered will be:

- are there unusual discrepancies in accounting records and unexplained items on reconciliations?
- have any documents or account books gone missing?
- are there high numbers of cancelled cheques?
- are common names unexpectedly appearing as payees?
- are there any duplicated payments or cheques?
- do transactions take place at unusual times with irregular frequency, unusual or 'round' amounts or to unknown recipients?
- are suppliers regularly submitting electronic invoices in non-PDF format that can be altered?
- are payments made to individuals or companies with family or business connections to a trustee, and perhaps authorised by that trustee? This might indicate collusion.

6. Action on suspected fraud

6.1 AVCT is aware they should contact the lead organisation, managing agent or relevant organisation immediately in the first instance if there is an issue or concerns on any aspect of suspected fraud.