

FRAUD PREVENTION POLICY

1. INTRODUCTION

The Sabre Trust (TST) is dedicated to operating and developing as a fit for purpose charity. In order to achieve this, the Sabre Trust is committed to the application of the Nolan Principles, namely: Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty; Leadership.

The policy of The Sabre Trust in relation to the prevention and detection of fraud follows this commitment. All Sabre Trust Board directors, Trustees and volunteers are required to comply with this policy and are expected to adopt the highest standards of propriety and accountability. This policy is non-contractual but sets out the way in which we aim to prevent and to manage such Fraud Prevention in this charity.

2. POLICY STATEMENT

The Sabre Trust is committed to the prevention of fraud and the promotion of an anti-fraud culture. The Trust operates a zero-tolerance attitude to fraud and requires Board Directors, Trustees and volunteers to act honestly and with integrity at all times, and to report all reasonable suspicions of fraud.

The Sabre Trust will investigate all instances of actual, attempted and suspected fraud and will where appropriate seek to recover funds lost to the TST through fraud. Perpetrators may be subject to appropriate action, including legal action.

3. SCOPE OF THIS POLICY

All Sabre Trust Board Directors, Trustees, Assessors and volunteers undertaking any form of work for The Sabre Trust, whether paid or unpaid, at all levels in the organisation, are required to comply with this policy.

4. AIMS OF THIS POLICY

This policy aims to set out clear procedures and rules that minimise the risk of fraud and corruption in The Sabre Trust.

5. LEGAL CONSIDERATIONS

The main pieces of legislation that are applicable to this policy are:

- Theft Act 1978
- Police and Criminal Evidence Act 1984
- Protection from Harassment Act 1997
- The Public Interest Disclosure Act 1998
- The Bribery Act 2010
- The Enterprise and Regulatory Reform Act 2013

6. DEFINITIONS

Fraud is defined as: “the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain”. In addition, fraud can also be defined as: “the

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intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to mislead or misrepresent”.

Corruption is defined as: “the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person” and in addition: “the failure to disclose an interest in order to gain financial or other pecuniary gain”.

7. KEY RESPONSIBILITIES

The Board of The Sabre Trust is responsible for:

- Regularly reviewing its anti-fraud policy statement and compliance to ensure it remains effective and relevant.
- Investigating all allegations of fraud and pursuing appropriate action, including legal action.
- Developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud.
- Ensuring that TST’s reputation and assets are protected against fraud.

The Sabre Trust has approved policies on Conflicts of Interest and procedures for Disciplinary Offences.

The Sabre Trust has established a Risk Committee with oversight of the implementation of this policy.

8. FRAUD PREVENTION

The Sabre Trust’s Financial Controls include a two signatory system on cheques and cards.

9. REPORTING ALLEGATIONS OF FRAUD OR CORRUPTION

An employee, agent or volunteer worker who reasonably believes that one or more of the following has occurred, is in the process of occurring, or is likely to occur should raise this under TST’s whistleblowing policy:

- A criminal offence
- A failure to comply with a statutory or legal obligation
- Improper unauthorised use of funds
- Deliberate concealment of, or complicity in, any of the above

Any allegations received, including by anonymous letters or phone calls, will be taken seriously and investigated in an appropriate manner.

We will deal firmly with those who defraud The Sabre Trust, who are corrupt or are involved in financial malpractice. Investigations will be conducted without regard to length of service, position or title of the person suspected and actions taken will be appropriate to the offence committed. This may include the instigation of internal proceedings which may lead to dismissal and/or police involvement.

There is, of course, a need to ensure that any investigation process is not misused and, therefore any abuse (such as staff raising malicious allegations) will also be dealt with as a disciplinary matter.

When fraud or corruption has occurred because of a breakdown in our systems or procedures, the Chair will ensure that appropriate improvements in our control systems are implemented to prevent a re-occurrence.

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10.OFFICIALS' RESPONSIBILITIES

Trust officials at all levels are responsible for the communication and implementation of this policy in their area of work. They are also responsible for ensuring that those working or operating for them are aware of our financial rules and procedures, and that these are followed. This includes ensuring that claims for expenses, overtime and any other allowances are checked and only authorised if they are in line with our policies and employees' contractual terms.

Officials are expected to strive to create an environment in which personnel feel able to approach them with any concerns they may have about suspected irregularities. They are also responsible for initially acting on any allegation of fraud or corruption received and should:

- Deal promptly with the matter.
- If appropriate, report the matter to the Finance Director and obtain advice from Chair, who will arrange for an appropriate investigation to be carried out.
- Record all the evidence received.
- Ensure that evidence is sound and adequately supported.
- Contact other parties, for example the police or a relevant regulatory body, when necessary and when authorised to do so by the Chair.
- Notify our insurers, where appropriate and when authorised to do so by the Chair.
- Implement our disciplinary procedures where appropriate.

Special arrangements will apply where personnel are responsible for cash handling or are in charge of financial systems and systems that generate payments, for example payroll. Officials must ensure that relevant training is provided for these staff. Checks must be carried out at least annually to ensure that proper procedures are being followed.

11.WORKER/AGENT RESPONSIBILITIES

Anyone undertaking work on behalf of The Sabre Trust, whether paid or unpaid, is required to comply with our procedures and policies (for example expenses, IT security, ethics) and also with any codes of conduct we may issue from time to time and any guidelines on gifts and hospitality and codes of conduct associated with professional and personal conduct and conflicts of interest.

Employees or agents are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of the assets of The Sabre Trust. Anyone undertaking any form of work for The Sabre Trust should always be aware of the possibility that fraud, corruption or theft may exist in the workplace and must share any related concerns with management. If for any reason, they feel unable to speak to their manager they must refer the matter to the Chair. In the event that any complaint or suspicion should rest on the Chair then an initial approach may be made to the Vice Chair of The Sabre Trust. Failure to report such knowledge or suspicions may be seen as condoning the act and may be treated as a disciplinary offence.

Any person who discovers or suspects fraud should not attempt personally to conduct an investigation or interview or discuss the case with anyone, unless specifically authorised to do so by the Chair of The Sabre Trust or the Vice Chair if the complaint or suspicion rests on the Chair.

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12.EXTERNAL AUDITORS

The External Auditors plan and perform their audit so as to obtain all the information and explanations which they consider necessary in order to provide them with sufficient evidence to give reasonable reassurance that the Financial Statements are free from material misstatements, whether caused by fraud or other irregularity or error.

13.RECRUITMENT

We recognise that a key preventative measure in dealing with fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees or agents whether for permanent, temporary or casual posts. Our equal opportunity policy will be adhered to during this process.

The Sabre Trust's recruitment and appointments procedures incorporate screening of candidates through reference check and also through DBS checks.

In particular, written references, which will specifically ask if there are any concerns over the candidate's honesty or integrity, will be obtained once an employment offer is made and checks will be made against the application form regarding qualifications and previous employment/ salary.

Additional financial checks may be undertaken on those whose roles involve the handling of cash or other forms of payment, in which case the candidates will be advised in advance of such checks.

14. DETECTION AND INVESTIGATION

Whilst we aim to have systems controls in place which deter fraud and corruption, it is often the vigilance of staff that aids detection. In some cases fraud is discovered by chance or by 'tip-offs': such information will be dealt with properly and we will take all appropriate steps to protect anyone who assists us with such information. Any decision to refer a matter to the police will be taken by the Chair. We will normally wish the police to be made aware of, and investigate independently, offenders where financial impropriety is discovered.

Our disciplinary procedure will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees.

15. CONFIDENTIALITY

The results of any investigation will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

16. RELATED POLICIES AND DOCUMENTS

In addition to the policies covered above, The Sabre Trust also has a whistleblowing policy.

17.IMPLEMENTATION, MONITORING AND REVIEW OF THIS POLICY

This policy will take effect from 01/07/2015. The Chair has overall responsibility for implementing and monitoring this policy, which will be reviewed on a regular basis following its

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implementation (at least annually) and additionally whenever there are relevant changes to our working practices.

Any queries or comments about this policy should be addressed to infothesabretrust@gmail.com

18. THE SABRE TRUST FRAUD RESPONSE PLAN

I. **The purpose** of this plan is to define authority levels, responsibilities for action, and reporting lines in the event of a suspected fraud or irregularity. The use of the plan should enable The Sabre Trust to:

- Prevent future or further loss
- Establish and secure evidence necessary for criminal and disciplinary action
- Recover losses
- Punish the culprits
- Deal with requests for references for employees disciplined or prosecuted for fraud
- Review the reasons for the incident, the measures taken to prevent a recurrence, and any action

needed to strengthen future responses to fraud

- Keep all personnel with a need to know suitably informed about the incident and TST's response
- Inform the police
- Assign responsibility for investigating the incident
- Establish circumstances in which external specialists should be involved
- Establish lines of communication with the police

These matters are dealt with below:

II. **Suspicion of fraud** or irregularity may be captured through a number of means, including the following:

- The requirement placed on staff under the Financial Regulations to report fraud or irregularity to the Chair.
- The Sabre Trust's Policy on Whistle-Blowing
- Planned audit work
- General operations

III. **Responsibility** for dealing with actual or suspected incidents is with The Sabre Trust's Trustees. Incidents or suspected incidents should be reported without delay to the Chair, or to the Vice Chair, if the incident may include the Chair.

IV. **Wherever possible**, within 24 hours, the Chair of the Board shall notify the Finance Director to decide on the initial response. The Chair may take the matter to the Board to determine the action to be taken. This will normally be an investigation and a panel may be appointed from or by the Board or an independent investigator appointed.

V. **Where initial** investigation provides reasonable grounds for suspecting a member of staff of fraud, the Chair and Finance Director (taking advice where necessary from appropriate Legal Advisers and Insurance Advisers) will decide how to prevent further loss.

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This may require the suspension, with or without pay, of the suspects. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.

VI. **The Chair and Finance Director** shall immediately withdraw access permissions to The Sabre Trust's computer systems, accounts, cheque books and cards.

VII. **The authorised investigator/s** shall consider whether it is necessary to investigate systems other than that/those which has/have given rise to suspicion, through which the suspect may have had opportunities to misappropriate The Sabre Trust's assets.

VIII. **A major objective** in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. The Sabre Trust will follow disciplinary procedures against any personnel who have committed fraud. The Sabre Trust will normally refer the matter to the police for a criminal investigation.

IX. **Recovering losses** is a major objective of any fraud investigation. The Chair shall ensure that in all fraud investigations, the amount of any loss will be quantified. Restitution of misappropriated assets shall be sought in all cases.

X. **Where the loss is substantial**, the Board Legal Adviser will advise on the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice shall also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The Sabre Trust will normally expect to recover costs in addition to losses.

XI. **The Chair will refer** any request for a reference for a personnel member who has been disciplined or prosecuted for fraud to the Board Legal Adviser. The Chair shall prepare any answer to a request for a reference having regard to employment law.

XII. **On completion** of a special investigation, a written report by the Chair shall be submitted to the Board containing:

- A description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud
- The measures taken to prevent a recurrence
- Any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.

XIII. **Review of fraud response plan**

This plan will be reviewed at least annually or after each use. Any need for change will be reported to the Board for approval.

19.POLICY REVIEW

This policy will be reviewed annually.

Next review date: March 2021