

CITIZENS ADVICE REIGATE AND BANSTEAD FRAUD, THEFT & BRIBERY POLICY

1. Introduction

This document sets out the policy and procedures of Citizens Advice Reigate and Banstead against fraud, theft and bribery, together with the steps that must be taken where any of these offences are suspected or discovered.

It applies to trustees, staff and volunteers. Anybody associated with Citizens Advice Reigate and Banstead who commits such an offence or who becomes aware of it and does not report it, will be subject to appropriate disciplinary action.

2. Statement of intent

Citizens Advice Reigate and Banstead will strive to ensure that its financial and administrative processes are carried out and reported honestly, accurately, transparently and accountably and that all decisions are taken objectively in the interests of the organisation. Citizens Advice Reigate and Banstead does not condone any behaviour that falls short of these principles.

Everyone in the organisation has a responsibility for putting these principles into practice and for reporting any breaches they discover.

3. What does this policy cover?

This policy covers (a) fraud, (b) theft and (c) bribery: all three perpetrated while acting for or with Citizens Advice Reigate and Banstead.

Attempted offences must be treated just as seriously as actual offences.

(a) Fraud

Fraud has three forms. In all forms, there is the intention of making a gain or causing a loss to another person or organisation:

- (i) Making an untrue or misleading statement.
- (ii) Failing to disclose information when there is a legal duty to disclose it.
- (iii) Abusing a position of trust.

Examples might be:

- Deliberately falsifying expenses for personal gain.
- A local office paying for a mobile phone contract used extensively for private use.
- Receiving excessive remuneration / expenses without trustee board knowledge or authorisation.
- Amending accounting records to hide transactions designed for personal gain, for example
 - o under-declaring VAT
 - o falsifying funder returns

- Ordering and paying for goods that are for personal use, for example a smart-phone delivered to a home address.
- Soliciting donations / payments from clients and keeping the proceeds.
- Making untrue statements to the board of trustees to cover up fraudulent activity.
- Providing bogus references / qualifications relevant to a position of trust within the local office. (Note that some people are legally disqualified from acting as trustees, including those convicted of an offence involving dishonesty or deception, and undischarged bankrupts).
- Referring local office clients to the adviser's own business (or an associated business) for paid-for advice or other services.

(b) Theft

Theft is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it. This would also include false accounting.

Examples might be:

- Stealing cash donations and amending income records.
- Stealing petty cash and falsifying receipts.
- Transferring amounts into a personal bank account.
- Setting up fictitious suppliers and making payments to them.
- Setting up fictitious employees on the payroll and making payments.
- Stealing local office property for personal use – e.g. laptop, office supplies or equipment.

(c) Bribery

Bribery is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. Both the giving and receiving of bribes are criminal offences and can be committed by individuals or organisations. Organisations can be liable for failing to prevent the payment of bribes even if they are not aware that bribery is taking place.

Examples might be:

- Soliciting or receiving payments or gifts from a local office supplier.
- An adviser agreeing to fast-track client cases for cash payments.
- Making offers or inducements to secure funding for the local office, for example to see what other competitors have bid.
- Using insider knowledge (e.g. through friends, contacts) and inducements (e.g. restaurant meals, gifts, tickets) to gain an unfair advantage in a bidding process.

In practice there may be a blurring of what constitutes fraud, theft and bribery – an activity may be all three.

4. How does this policy relate to other internal policies and procedures?

This policy should be read in conjunction with the local office's whistle-blowing and gifts and hospitality policies.

5. Values

Citizens Advice Reigate and Banstead's values are intended to foster honesty and integrity and are underpinned by **seven principles** of behaviour. These are **selflessness, integrity, objectivity, accountability, openness, honesty and leadership**. Trustees, staff and volunteers are expected to lead by example in adhering to policies, procedures and practices. Equally, members of the public, service users and external organisations (such as suppliers and contractors) are expected to act with integrity and without intent to commit fraud against Citizens Advice Reigate and Banstead in any dealings they may have with the charity.

To uphold our values, Citizens Advice Reigate and Banstead will provide clear routes by which concerns can be raised by trustees, staff and volunteers and by those outside of the organisation.

The trustee board will deal promptly, firmly and fairly with suspicions and allegations of fraud, theft and bribery.

6. Responsibilities

In relation to the prevention of fraud, theft and bribery, specific responsibilities are as follows:

(a) Trustees

Trustees are responsible for establishing and maintaining a sound system of internal control. The finance sub-committee also oversee Citizens Advice Reigate and Banstead's control environment.

The system of internal control is designed to respond to and manage the whole range of risks that the Citizens Advice Reigate and Banstead faces.

The system of internal control should operate on an ongoing basis and be designed to identify the principal risks, evaluate their nature and manage them effectively. The system may be most effective if integrated into wider organisational risk management.

(b) Chief Executive Officer and management team

Responsibilities include:

- Undertaking a regular review of the fraud risks associated with each of the key organisational objectives as per the organisation's strategic plan.
- The design of an effective control environment to prevent fraud.
- Establishing appropriate mechanisms for:
 - reporting fraud risk issues
 - reporting significant incidents of fraud or attempted fraud to the trustee board
- Liaising with Citizens Advice Reigate and Banstead's Independent Examiner.
- Making sure that all staff and volunteers are aware of this fraud, theft and bribery policy and know what their responsibilities are in relation to combating fraud.

- Ensuring that appropriate anti-fraud training is made available to trustees, staff and volunteers as required.
- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively.
- Preventing and detecting fraud as far as possible.
- Assessing the types of risk involved in the operations for which they are responsible.
- Reviewing the control systems for which they are responsible regularly.
- Ensuring that controls are being complied with and their systems continue to operate effectively.
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

(d) Staff and volunteers

Every member of staff or volunteer is responsible for:

- Acting with propriety in the use of Citizens Advice Reigate and Banstead's resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers.
- Conducting themselves in accordance with the seven principles set out above. They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- Being alert to the possibility that unusual events or transactions could be indicators of fraud, theft and bribery.
- Alerting their manager when they believe the opportunity for fraudulent activity e.g. because of poor procedures or lack of effective oversight.
- Reporting details immediately if they suspect that a fraud has been committed or if they see any suspicious acts or events.
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

7. Reporting and investigation

Members of staff, volunteers and trustees should report under the whistle-blowing policy.

8. Training

An important contribution to the continuing success of an anti-fraud strategy, and its general credibility, lies in the effectiveness of programmed training of trustees, staff and volunteers throughout the organisation.

This will be achieved through the development of both induction and refresher training for all personnel involved in internal control systems to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced.

9. Review

This policy will be reviewed on an annual basis.

