

Anti-Fraud Policy

This policy tells staff and volunteers what to do if they think a fraud is happening at our Charity. This policy also informs staff and volunteers of their responsibilities to maintain an anti-fraud culture at our Charity.

The policy applies to all staff and volunteers.

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Equality impact assessment	Fraud can affect anyone, but can have a disproportionate impact on poorer and marginalised communities. This policy considers mainly the impact of fraud where the Stroke Association is the victim, but we also need to be careful of the impact of fraud on stroke survivors and our staff.

1. Introduction

The Stroke Association complies with applicable legislation, including the Fraud Act 2006, the Bribery Act 2010, the Economic Crime and Corporate Transparency Act 2023 (ECTA) and with other regulatory requirements and applicable guidance including Managing Public Money. Our trustees are required under charity law to safeguard the assets of the charity. ECTA creates a strict liability offence of Failure to Prevent Fraud, which is covered by our Counter Fraud Strategy, this looks at preventing fraud committed by us or our agents.

2. Purpose

The purpose of this policy is to set out the Stroke Association's stance on fraud, bribery and corruption and its approach to preventing, detecting, reporting and investigating fraud, bribery and corruption.

The Stroke Association is committed to conducting business fairly, openly and honestly and in accordance with the highest ethical and legal standards.

This policy informs trustees, staff and volunteers of their responsibilities to maintain an anti-fraud culture at our Charity. This policy directs trustees, staff and volunteers to the fraud response plan if they know or suspect a fraud is happening at our Charity.

3. Who does this policy apply to?

This policy applies to the Stroke Association and all separate legal entities owned and controlled by the Stroke Association.

This policy is applicable to, and must be followed by, all trustees, staff and volunteers including consultants and contractors. Failure to comply could result in disciplinary action, including dismissal or removal in case of trustees or volunteers.

The Stroke Association requires all those receiving Stroke Association funds or representing the Stroke Association, including its suppliers, grant recipients, partners, contractors and agents, to act in accordance with this policy.

4. Anti-Fraud Policy

4.1. What is Fraud

The term Fraud is used to describe a range of activities, including deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, money laundering, false representation, concealment of material facts and collusion. The source of the fraud may be internal or external to our Charity.

Fraud involves the intention to deceive a person or organisation in order to obtain an advantage, avoid an obligation or cause loss. We need to be vigilant to prevent being a victim *or* a beneficiary of fraud. The Counter Fraud strategy deals with situations where we may be the beneficiary of fraud.

4.2. Policy Statement

The Stroke Association has a 'zero tolerance' policy towards fraud, bribery and corruption. This means that the Stroke Association:

- a) does not accept any level of fraud, bribery or corruption within the organisation or by any other individual or organisation receiving Stroke Association funds or representing the Stroke Association;
- b) will always seek to take disciplinary and/or legal action against those found to have perpetrated, be involved in, or assisted with fraudulent or other improper activities in any of its operations.

The Stroke Association is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum.

The Stroke Association requires all trustees, staff and volunteers to act honestly and with integrity at all times and to safeguard the resources for which they are responsible and to ensure that we do not raise resource fraudulently.

The Charity treats attempted fraud as seriously as accomplished fraud.

4.3. Responsibilities

4.3.1. Trustees

The board of trustees are responsible for establishing and maintaining a sound system of internal control that supports the achievement of the Charity's policies, aims and objectives. The board is responsible for ensuring the management of fraud and corruption risks and is accountable for the actions it takes through setting out a robust governance framework and holding management to account through reporting and inquiry. The system of internal control is designed to respond to and manage the whole range of risks that the Charity faces. The system of internal control is based on an on-going 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.

The board of trustees sets a specific goal of ensuring that management maintain the charity's resilience to fraud and corruption. The role of the internal auditor is to test systems and processes in order to hold management to account on behalf of the board of trustees.

4.3.2. The Executive Director Finance

Overall responsibility for managing the risk of fraud has been delegated to the Executive Director, Finance. This Director's responsibilities include:

- Undertaking a regular review of the fraud risks associated with each of the key Charity's objectives;

- Lead an annual assessment, together with the Internal Auditor, of whether the level of resource invested to counter fraud and corruption is proportionate for the level of risk
- Establishing an effective fraud response plan;
- The design of an effective control environment to prevent fraud;
- Establishing appropriate mechanisms for reporting fraud risk issues; and reporting significant incidents of fraud or attempted fraud to the Trustees;
- Liaising with the Charity's appointed Auditors (Internal and External);
- Ensuring that all staff are aware of the Charity's Anti-Fraud Policy and know what their responsibilities are in relation to combating fraud; and
- Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

4.3.3. Executive Directors' Team

The Executive Directors' Team is responsible for:

- 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 and evaluating the harm to the operations and service users that different fraud risks can cause;
- Reviewing the control systems for which they are responsible regularly;
- Ensuring that controls are being complied with and their systems continue to operate effectively; and
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place;
- Ensuring that funds are not raised in a fraudulent manner, e.g. that fundraising appeals are restricted to the purpose and intent of the appeal, and ensuring that contract income is based on the correct calculation of sums incurred plus correct contract margins.

4.3.4. Staff and volunteers

Every member of staff, trustee or volunteer is responsible for:

- Acting honestly in the use of Charity'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 of selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Alerting their manager when they believe the opportunity for fraud exists e.g. because of poor procedures or lack of effective oversight;
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events; and
- Co-operating fully with any internal checks, reviews or fraud investigations.

4.4. Risk and internal control systems

The Stroke Association will seek to assess the nature and extent of its exposure to the risks of internal and external fraud, bribery and corruption. It will regularly review these risks, using information on actual or suspected instances of fraud, bribery and corruption to inform its review.

The Stroke Association will seek to put in place efficient and effective systems, procedures and internal controls to: encourage an anti-fraud culture; prevent and detect fraud, bribery and corruption; and reduce the risks to an acceptable level.

The Stroke Association will seek to equip its staff with the skills, knowledge and expertise to manage its fraud risk effectively. It will provide adequate training to make staff aware of the risks of fraud, bribery and corruption, and of their responsibilities in preventing, detecting, and reporting it.

The Stroke Association will ensure this policy is available to all those receiving Stroke Association funds or representing the Stroke Association, including its suppliers, grant recipients, partners, contractors and agents.

The Stroke Association will work with relevant stakeholders, including comparable organisations, relevant regulators and government organisations to tackle fraud.

The Stroke Association will regularly review and evaluate the effectiveness of its systems, procedures and internal controls for managing the risk of fraud. It will do this through risk management and assurance processes and audit arrangements.

5. Fraud Response Plan

We have a Fraud Response Plan, which provides guidance on the actions to be taken in the event of a fraud.

The Fraud response plan and this policy can be found on our [intranet](#). All staff, trustees and volunteers should familiarise themselves with both this Anti-fraud Policy and our Fraud Response Plan.

5.1. Fraud Reporting - Internal

All trustees, staff or volunteers must immediately report any suspected or actual instances of fraud, bribery or corruption. This includes offers to pay bribes, solicitation of bribes and demands to make facilitation payments. Failure to report could result in disciplinary action.

If you suspect fraud:

Reports should be made immediately to an appropriate manager and to the Internal Auditor, who can decide on next steps and how to communicate. This is detailed in the Fraud Response Plan. **This includes actions if you suspect your manager of fraud.**

It is important that all frauds or suspected frauds are reported in this way. However staff members are also protected by the [whistleblowing policy](#) and may prefer to address their concerns using this method.

The Stroke Association also requires all those receiving Stroke Association funds or representing the Stroke Association, including its suppliers, grant recipients, partners, contractors and agents, to report to any suspected or actual instances of fraud, bribery or corruption involving Stroke Association assets or staff.

The Stroke Association will not penalise anyone for raising a concern in good faith, even if it turns out to be unfounded. Any member of staff who harasses or victimises someone for raising a concern in good faith will themselves be subject to disciplinary action.

The Stroke Association will maintain a system for recording: all reports of actual or suspected fraud, bribery and corruption; the action taken; and the outcome of any investigation. It will use this information to inform its review of the risks and the effectiveness of its controls.

5.2. Fraud Reporting – External

The Stroke Association will fully meet its obligations to report fraud, bribery and corruption to third parties. The Fraud Response Plan sets out: the parties that suspected or actual fraud, bribery or corruption must be reported to; the nature and timing of the disclosure required; and who is responsible for making the report.

5.3. Investigation

The Stroke Association will take all reports of actual or suspected fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in this policy and the Fraud Response Plan.

The Fraud Response Plan sets out responsibilities for investigating fraud, bribery and corruption, the procedures for investigating, action to be taken and external reporting.

The Stroke Association will always seek to take disciplinary and/or legal action against those found to have perpetrated or assisted with fraudulent or other improper activities in any of its operations. For staff, this may include dismissal. It will also seek to recover any assets lost through fraud.

5.4. Approval of Losses

All losses as the result of fraud must be approved in compliance with the Stroke Association's [delegation of authority policy](#). Any losses will also be reported to the Finance Committee by the Internal Auditor.