FRAUD RISK MANAGEMENT POLICY

**Introduction**

The Board of Directors of NAME is responsible for ensuring that the organisation has effective prevention strategies in place to monitor and review risk of fraud.

**Policy Statement**

NAME is committed to the prevention of fraud and the promotion of an anti-fraud culture.

NAME conducts its business in a legal and ethical manner and operates a zero-tolerance attitude to fraud. NAME will not tolerate fraud in any aspect of its operations.

NAME expects the highest standards of honesty and integrity among its Board of Directors, Management Team, staff, volunteers, suppliers, donors, and partners and requires that they always act honestly and with integrity, safeguard the resources for which they are responsible and report all reasonable suspicions of fraud.

NAME will investigate any suspected acts of fraud, misappropriation, or other similar irregularity. An objective and impartial investigation, as deemed necessary will be conducted regardless of the position, title, length of service or relationship with the organisation of any party who might be the subject of such investigation.

Upon detection of fraud or any related criminal activity NAME will work with the relevant authorities to investigate the incident and to pursue prosecution. In addition, NAME reserves the right to seek civil recovery of any funds that have not been used for the stated purposes as well as our reasonable costs incurred in our seeking recovery of such funds.

Any fraud shall constitute grounds for dismissal.

If NAME feels there is sufficient evidence to suggest we have been the subject of a fraud or attempted fraud, then we will report the fraud to the appropriate authorities. This may include An Garda Síochána and the Charity Regulator.

Any person reporting a fraud, or a suspected fraud, shall suffer no penalty in their employment.

**Purpose**

The purpose of this policy is:

* To provide a definition of fraud.
* To ensure that all parties are aware of their responsibilities for identifying exposures to fraudulent activities and for establishing controls and procedures for preventing such fraudulent activity and/or detecting such fraudulent activity when it occurs.
* To provide guidance to staff/volunteers/contractors as to action which should be taken where they suspect any fraudulent activity.
* To provide a clear statement to staff/volunteers/contractors forbidding any illegal activity, including fraud for the benefit of the organisation.
* To provide assurance that any and all suspected fraudulent activity will be fully investigated and appropriate action taken.

**Definition of Fraud**

Fraud covers several areas but is essentially theft of NAME property by different means, including the use of deception.

Theft can be explicit such as stealing cash, taking equipment or office stationery. It can be the misuse of funds or other resources or more complicated crimes such as false accounting and the supply of false information. It may be implicit including receiving personal payments and theft of data.

Fraud committed against NAME can include:

**Internal Fraud**

Involving people within NAME.

For example:

* The interception of cash or cheque donations by an employee;
* The misuse of NAME credit/debit cards;
* Staff claiming non-existent, over-inflated or inappropriate expenses;
* Staff declaring false sicknesses;
* False accounting ‐ dishonestly destroying or falsifying any account, record or document with a view to personal gain or gain for another;
* Awarding a contract, or preferential terms, to a supplier in return for payments, personal discounts, commission or other benefits;
* Creating non-existent beneficiaries for directing payments or use of a beneficiary identity for personal benefit.

**External fraud**

Fraud is perpetrated outside of NAME, committed by people who are not directly involved.

For example:

* Creating false invoices to NAME for goods and services that have not been supplied;
* Identity fraud e.g., by hijacking NAME’s bank accounts; or Phishing emails requesting confidential information from NAME which is then used by fraudsters to obtain funds illegally;
* Unauthorised fundraising in NAME’s name.

This policy covers any fraud that could potentially affect NAME’s operations or put it at risk including those committed by: employees including consultants, contractors, agency workers and temps: sub-contractors; funders, and members of the public

**Responsibilities**

The Board of Directorsof NAME has ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place.

The CEO is responsible for investigating instances of fraud reported.

All managersmust ensure that there are mechanisms in place within their area of control to:

* Assess the risk of fraud;
* Educate employees about fraud prevention and detection; and
* Facilitate the reporting of suspected fraudulent activities.

Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

All staff/volunteers/contractors share in the responsibility for the prevention and detection of fraud in their areas of responsibility.

All staff/volunteers/contractors have the responsibility to report suspected fraud.

Any staff member, volunteer or contractor who suspects fraudulent activity must immediately notify their supervisor or those responsible for investigations.

In situations where the manageris suspected of involvement in the fraudulent activity, the matter should be notified to the next highest level of supervision or to the CEO.

**Processes**

Fraud prevention accounting procedures shall be incorporated in the organisation's policies relating to Authority to Sign Payments, Reimbursement of Expenses, Financial Transaction (credit/debit) Cards, Acceptable Use of Computers, Acceptable Use of Vehicles and Equipment, Cash Management & Income Handling, and any other relevant policies.

Fraud prevention procedures shall be incorporated in the organisation's policies relating to Staff Recruitment and Staff Induction.

All complaints of suspected fraudulent behavior must be reported to the CEO.

Upon notification or discovery of a suspected fraud, the CEO will promptly arrangeto investigate the fraud. The CEO will make every effort to keep the investigation confidential; however, from time-to-time other members of the management team may need to be consulted in conjunction with the investigation.

After an initial review and a determination that the suspected fraud warrants additional investigation, the CEO shall coordinate the investigation with the appropriate law enforcement officials. Internal or external legal representatives will be involved in the process, as deemed appropriate.

Once a suspected fraud is reported, immediate action will be taken to prevent the theft, alteration, or destruction of relevant records. Such actions include, but are not necessarily limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the fraud from having access to the records.

Where a prima facie case of fraud has been established the matter shall be referred to An Garda Síochána and the Charity Regulator. Any action taken by An Garda Síochána shall be pursued independent of any employment-related investigation by the organisation.

If a suspicion of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal, shall be taken by the appropriate level of management.

The organisation will also pursue every reasonable effort, including court ordered restitution, to obtain recovery of the losses from the offender.

Vendors and contractors shall be provided with a copy these policies and procedures.

No employee of the organisation, or person acting on behalf of the organisation in attempting to comply with this policy shall:

* be dismissed or threatened to be dismissed;
* be disciplined or suspended or threatened to be disciplined or suspended.
* be penalised or any other retribution imposed, or
* be Intimidated or coerced,

- based to any extent upon the fact that the employee has reported an incident or participated in an investigation in accordance with the requirements of this Policy. Violation of this section of the Policy will result in disciplinary action, up to and including dismissal.

If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the originator.