

Welsh Fencing Ltd – Fraud Prevention Policy

1 Policy Statement

- 1.1 Welsh Fencing (WF) is committed to the prevention of fraud and the promotion of an anti-fraud culture.
- 1.2 WF operates a zero-tolerance attitude to fraud and requires its Board Directors, appointed officials clubs, self-employed tutors/coaches and members (collectively called its “Representatives”) to act honestly and with integrity at all times, and to report all reasonable suspicions of fraud.
- 1.3 WF will have all instances of actual, attempted and suspected fraud investigated and will, where appropriate seek to recover funds lost to WF through fraud. Perpetrators may be subject to appropriate action, including legal action.

2 Scope of this policy

- 2.1 All WF Representatives undertaking any form of work for WF, whether paid or unpaid, at all levels in the organisation, are required to comply with this policy.

3 Definitions

- 3.1 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 intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to mislead or misrepresent.”
- 3.2 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.”

4 Key Responsibilities

- 4.1 The Board of WF is responsible for:
 - Regularly reviewing its anti-fraud policy statement and compliance to ensure it remains effective and relevant
 - Arranging the investigation of 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 WF’s reputation and assets are protected against fraud.

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5 Fraud prevention

- 5.1 WF's Financial Policies include policies on cheque payments and expenditure authorisation and investigations.

6 Reporting allegations of fraud or corruption

- 6.1 Any allegations of fraud or corruption received by WF will be taken seriously and investigated in an appropriate manner.
- 6.2 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 the disciplinary process which may lead to expulsion 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 members raising malicious allegations) will also be dealt with as a disciplinary matter.
- 6.3 When fraud or corruption has occurred because of a breakdown in systems or procedures the Chair will ensure that appropriate improvements in WF control systems are implemented to prevent a recurrence.

7 Officials' Responsibilities

- 7.1 Anyone undertaking work on behalf of WF, whether paid or unpaid, is required to comply with WF procedures and policies (for example expenses, IT security, ethics) and also with any codes of conduct issued by the Board from time to time and any guidance on gifts and hospitality and codes of conduct associated with professional and personal conduct and conflicts of interest.
- 7.2 All Representatives are responsible for ensuring that they follow the instructions given to them by the Board in relation to the safekeeping of WF assets.
- 7.3 Anyone undertaking any form of work for WF should always be aware of the possibility that fraud, corruption or theft may exist throughout the period of their responsibility and must share any related concerns with any senior official. If for any reason they feel unable to speak to a senior official they must refer the matter to the Board. Failure to report such knowledge or suspicions may be seen as condoning the act and may be treated as a disciplinary offence.
- 7.4 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 WF.

8 Confidentiality

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

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9 Implementation, monitoring and review of this policy

- 9.1 This policy will take effect from []. The Board has overall responsibility for implementing and monitoring this policy, which will be reviewed on a regular basis, following its implementation (at least annually) and additionally whenever there are relevant changes to WF working practices.

10 Welsh Fencing Fraud Response Plan

10.1 Purpose

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 WF 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 persons disciplined or prosecuted for fraud
- Review the reasons for the incidents, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud
- Keep all persons with a need to know suitably informed about the incident and WF'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

10.2 These matters are dealt with below:

- a) Responsibility for dealing with actual or suspected incidents is with WF Directors. Incidents or suspected incidents should be reported without delay to the Chair.
- b) The Chair will 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.
- c) Where initial investigation provides reasonable grounds for suspecting a Representative, the Board (taking advice where necessary from appropriate legal advisers) will decide how to prevent further loss.
- d) The Treasurer and any It system operator shall immediately be instructed to withdraw access permissions to WF's computer systems and accounts.
- e) A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to others. WF will follow disciplinary procedures against any member who has committed fraud. WF will normally refer the matter to the police for a criminal investigation.
- f) Recovering losses is a major objective of any fraud investigation. The Board 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.

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- g) Where the loss is substantial, the Board will take legal advice on the need to freeze the suspect's assets, through court action, pending conclusion of the investigation. Legal advice shall also be taken about the prospects for recovering losses through the civil court, where the perpetrator refuse repayment. WF will normally expect to recover costs in addition to losses.
- h) Any request for a reference in respect of a Representative who has been disciplined or prosecuted for fraud should be referred to the Chair who may also take advice from a Legal Adviser. The Chair shall prepare any answer to a request for a reference having regard to employment law.
- i) On completion of a fraud or corruption investigation, a written report by the Chair shall be submitted to the Executive Board containing:
 - A description of the incident, including the value of any loss, the people involved, and the means of perpetrating the offence
 - The measures taken to prevent a recurrence
 - Any action needed to strengthen future responses to fraud or corruption, with a follow-up report on whether the actions have been taken.

11 Review of fraud response plan

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

12 Next review date

12.1 September 2021