

ANTI-FRAUD POLICY

Enginuity Group

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Policy Name	
Applies to:	All Staff of Enginuity Group, and Trustees
Date of issue:	September 2022
Review Date:	September 2023
Owned by:	Group Finance Director
Authorised by:	Audit Committee 06/09/2023
Location:	MyHR

Change History

Changes to specific sections of this document from the previous version are listed below

Version No.	Section Reference	Summary of Changes	Author	Date
1	All	Initial Issue / last available version		July 2008
2	All	Changes made: New format; SEMTA replaced with Enginuity, and roles and responsibilities updated	Steve Eddy	August 2022
3		Change job title, update process to include introduction of Fraud Risk Assessments register and annual Board Fraud Risk Questionnaire		August 2023

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Policy Statement

All companies within the Enginuity Group expect high standards of conduct and probity from all of their directors and staff, and require them at all times to act honestly, with integrity and to safeguard the resources for which they are responsible. The Group also expects its suppliers, delivery partners and sub-contractors to maintain the same high standards of conduct and probity.

The Enginuity Group is committed to developing an anti-fraud culture and actively seeks to deter and prevent fraud and corruption by ensuring that risks are identified and managed effectively. The Group will not accept any level of fraud, bribery or corruption and will investigate thoroughly all suspected cases. Staff involved in an impropriety of any kind will be subject to the Group's disciplinary procedures and legal action will be taken where appropriate.

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1. Scope of Policy

This policy applies to all Enginuity Group staff, directors and volunteers, whether permanent, fixed term, or temporary and to any consultants and sub-contractors working on any or all of those entities' behalf.

2. Definitions

2.1 What is fraud?

The Fraud Act 2006 established three main offences of fraud, all of which carry a maximum sentence of 10 years and/or an unlimited fine. The offences are:

- fraud by false representation
- fraud by failing to disclose information or
- fraud by abuse of position.

Enginuity will refer to these definitions in its dealings regarding fraud, and any other supplementary definitions as given from time to time by its regulators, including the Charity Commission.

2.2 Examples of fraud

The following actions are among those which fall within the definition of fraud (although this is not an exhaustive list):

- theft of Group property, including information
- misappropriation or use of Group assets for personal gain
- false accounting – dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting (or payroll) purpose
- forgery or alteration of Group documents
- falsification of other documents
- wilful destruction or removal of Group records
- any computer-related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of and Enginuity Group-owned software
- falsification of travel and subsistence claims
- knowingly generating or paying false claims or invoices
- failure to declare information such as a conflict of interest
- any form of corruption such as bribery
- unauthorised disclosure of confidential information to third parties e.g. confidential details of current business activities or of bids or activities that the Group is contemplating.

3. The policy

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3.1 Assessment and Internal Controls

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

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

The Group 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, and of their responsibilities in preventing, detecting, and reporting it.

The Group will make its suppliers, partners, customers and contractors aware of this policy.

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

The Group 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.

3.2 Fraud Response Plan

All instances of fraud or suspected fraud should be reported immediately to the Group Finance Director (Group FD). If the fraud or suspected fraud involves the Group FD, then this should be reported to the Chief Executive Officer. If the fraud or suspected fraud involves the CEO, then this should be reported to the Chair of the Board.

After initial consideration of the facts, the Group FD (or CEO) may decide to appoint an Investigating Officer to investigate further and make recommendations. The Investigating Officer may be someone from within the business or external to the business. The Investigating Officer is responsible for identifying any further external support needed and sourcing such support, after the approval of the Group FD and CEO.

The Investigating Officer will determine if the individuals under suspicion shall be suspended in line with our Disciplinary Policy whilst the investigation takes place.

The Investigating Officer is responsible for identifying whether any criminal activity is likely to have taken place and will make recommendations as to whether the police should be notified.

The Investigating Officer is responsible for identifying and quantifying any losses which have arisen as a result of the incident. In all cases of actual fraud, Enginuity will seek to recover the losses, through recourse to legal means if necessary.

The investigation must take place in a timely fashion and conclude with a legally privileged written report to the Group FD and CEO. The Investigating Officer shall consider whether changes are required to policies and/or procedures to help prevent further similar occurrences and report recommendations into the relevant Executive team member and Audit Committee.

The Group FD and CEO will decide the actions to be taken as a result of the investigation, and the Group FD is responsible for communicating those actions to all relevant parties. Any resulting disciplinary action with respect to Company Employees shall be carried out in accordance with applicable Human Resources procedures.

4. Roles and Responsibilities

In relation to the prevention of fraud, theft, misuse of equipment and abuse of position, specific responsibilities are as follows:

a) Trustees and Non-Executive Directors:

The Directors are responsible for establishing and maintaining a sound system of internal control that supports the achievement of the Group's policies, aims and objectives.

The system of internal control is designed to respond to and manage the whole range of risks which the Group 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 Audit Committee will review the Company's policies and procedures for anti-fraud, anti-bribery, anti-money-laundering and receipt of reports on non-compliance.

The Board will complete an Annual Fraud Risk Questionnaire, for presentation to the external Auditors.

b) The Group Finance Director (Group FD):

Overall responsibility for managing the risk of fraud has been delegated to the Group FD.

Their responsibilities include:

- Undertaking a regular review of the fraud risks associated with each of the key organisational objectives. The Fraud Risk Assessments Register will be reviewed quarterly by the Executive Leadership Team.
- Ensuring that when processes are reviewed, they are done so through an anti-fraud lens.
- Establishing an effective anti-fraud response plan, in proportion to the level of fraud risk identified.
- 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 Board (s) of Directors.
- Liaising with the Group's appointed Auditors.
- Liaising with the Charity Commission and / or other regulators if required.
- Making sure that all staff are aware of the Group's anti-fraud Policy and know what their responsibilities are in relation to combating fraud.
- Ensuring that appropriate anti-fraud training is made available to Directors, staff and volunteers as required.
- Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

c) Executive Leadership Team (ELT) & Heads of Department

ELT and Heads of Department are 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.
- Reviewing the control systems for which they are responsible regularly.
- Ensuring that controls are being complied with and their systems continue to operate effectively.
- Ensuring that when processes are reviewed, they are done so through an anti-fraud lens.
- Ensuring that staff completed their anti-fraud training in a timely manner.
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

d) Staff

Every member of staff is responsible for:

- Acting with propriety in the use of the Group's resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers.
- Conducting themselves with 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.
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

5. Review of policy

This policy will be reviewed every year, and assessments against the internal control framework will form part of the Audit Committee's meeting cycle.

The results of these assessments will be recorded on the Fraud Risk Assessments Register, owned by the Group FD, which is designed to improve Enginuity's detection of, and response to, fraud and potential fraud.

6. Cross reference to other policies

This policy is supported by the following other policies and procedures:

- Anti-corruption & bribery policy
- Business Ethics & Integrity policy
- Whistleblowing policy
- Conflicts of Interest policy
- Disciplinary policy
- Anti-tax Evasion Policy

- Information Security Policy
- Serious Incident Management Policy