



**BLUE MARINE
FOUNDATION**

**Anti-Fraud Policy
March 2021**

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Policy owner: Finance Director

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Approved by the Board of Trustees on 20 July 2021

1. Introduction

Blue Marine Foundation (BLUE) is committed to the prevention of fraud and the promotion of an anti-fraud culture. BLUE operates a zero-tolerance attitude to fraud and requires staff to act honestly and with integrity at all times, and to report all reasonable suspicions of fraud.

BLUE will investigate all instances of actual, attempted and suspected fraud committed by staff, consultants, suppliers and other third parties and will seek to recover funds and assets lost through fraud. Perpetrators will be subject to disciplinary and/or legal action.

This policy has been constructed with reference to guidance from the Fraud Advisory Panel.

2. Definitions

The term 'fraud' is commonly used to describe the use of deception to deprive, disadvantage or cause loss to another person or party. This can include theft, the misuse of funds or other resources or more complicated crimes such as false accounting and the supply of false information. Fraud can be committed by someone within the charity (internal fraud) or by people that are not directly involved in the organisation (external fraud).

3. Fraud Risk Statement

BLUE has assessed the fraud risks relevant to its activities and acknowledges the following key fraud risks. BLUE takes fraud risk very seriously and has stringent procedures in place to control and mitigate these risks. The risks and associated mitigating procedures are reviewed on a regular basis and communicated to all relevant staff and Trustees as appropriate. BLUE tackles fraud risk through a combination of 1) independently monitored robust financial controls, and 2) nurturing a culture of ethical behaviour throughout the organisation.

External Fraud Risks

- Unauthorised fundraising in BLUE's name, i.e. creating a fake fundraising page or fake website with a donation link to a different bank account, with no intention of donating the money.
- Fundraising in BLUE's name not transferred. Funds are raised and collected on BLUE's behalf by an individual or organisation with the intention of donating the money, but the donation never takes place, or donation is for less than the amount raised.
- Project partner organisation inadequate anti-fraud measures causing loss of project funding or assets.
- Project partner organisation misuse of BLUE's funding. For example, partners applying BLUE's funding on activities not agreed in the work plan, or through other means than agreed in the work plan.
- Contractor impostors, where fraudsters pose as a supplier to change the bank details before a payment is made or pose as a Trustee or Executive to request an emergency payment, usually by email.
- Cyber fraud, i.e. phishing emails, hacking of network or ransoming charity data.

Internal Fraud Risks

- Expense fraud, where employees claim false or inappropriate expenses.
- Abuse of power. An employee abuses a position of trust and/or power to override financial controls.

4. Responsible Persons

The Finance Director is responsible for:

- Developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud.
- Regularly reviewing BLUE's anti-fraud policy and compliance to ensure it remains effective and relevant to the needs of the charity.
- Raising all allegations of fraud with Executive Management and HR with the view to commencing disciplinary and/or legal action where appropriate.
- Reporting to the Board of Trustees on all aspects of fraud risk management.

Project Managers are responsible for:

- Familiarising themselves with the types of fraud and dishonesty that might occur within their projects and activities.
- Monitoring compliance with internal controls and agreed policies and procedures.
- Notifying the Finance Director of any indications of fraudulent activity.

All staff are responsible for:

- Ensuring that BLUE's reputation and assets are protected against fraud.
- Reporting known or suspected fraud.
- Assisting in the investigation of suspected fraud.

5. Fraud Response Plan

BLUE has established guidelines on the immediate actions to be taken in the event of a fraud being discovered or suspected.

Step 1: Report

Immediately on discovering or receiving a report of suspected fraudulent behaviour, the Finance Director and/or Executive Management will record the details of the fraudulent activity including dates, names, details of suspected actions and, where possible, securing evidence of the fraud. All details that may assist in future investigations will be recorded. On establishing that a fraud has taken place, the fraud will be immediately reported to Action Fraud (actionfraud.police.uk) and to Charities Commission via a Serious Incident Report. The fraud will be reported to the Trustees, staff and to any stakeholders which may be impacted, including where contracts legally require fraud to be disclosed.

Step 2: Prosecute

BLUE will attempt, with law enforcement, to identify the fraudster and will seek legal advice on prosecution. BLUE will fully co-operate with investigations into the fraud and will seek to recover all funds or assets lost.

Step 3: Review

BLUE will change any systems affected by the fraud and re-assess the fraud risks. If necessary, additional controls will be put in place to prevent further fraud from occurring. The financial cost of the fraud will be reviewed. BLUE will evaluate the lessons learned and communicate these lessons with staff, volunteers and Trustees, to continue to promote and encourage the anti-fraud culture.

6. Reporting suspicions

Staff, Trustees, volunteers and members of the public are encouraged to report concerns about actual, attempted or suspected fraud and/or other forms of illegal activity. Reports can be made confidentially to BLUE's external HR support, available by calling **07811 208323** or emailing anna@edelweissshr.co.uk.

BLUE has established procedures to encourage staff to report actual, attempted or suspected fraud and/or other forms of illegal activity confidentially and without fear of reprisal. Details are available in BLUE's Whistleblowing Policy.