

Policy Objective

To ensure staff are aware of the risks of fraud and understand their obligations to report any actual or suspected incidents of fraud, taking all reports of fraud seriously, and investigating them proportionately and appropriately. Also to ensure that controls reduce the risk of fraud and minimise any financial and reputational damage to Blue Marine.

Introduction

- 1.1 Blue Marine is committed to the prevention of fraud and the promotion of an anti-fraud culture. Blue Marine 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.
- 1.2 Blue Marine 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 UK Fraud Advisory Panel.

Definitions

- 2.1 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).

Fraud Risk Statement

- 3.1 Blue Marine has assessed the fraud risks relevant to its activities and acknowledges the following key fraud risks. Blue Marine 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 Marine tackles fraud risk through a combination of independently monitored robust financial controls, and nurturing a culture of ethical behaviour throughout the organisation.
- 3.2 External Fraud Risks
 - 3.2.1 Unauthorised fundraising in Blue Marine'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.
 - 3.2.2 Fundraising in Blue Marine's name not transferred. Funds are raised and collected on Blue Marine'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.
 - 3.2.3 Project partner organisation inadequate anti-fraud measures causing loss of project funding or assets.

- 3.2.4 Project partner organisation misuse of Blue Marine’s funding. For example, partners applying Blue Marine’s funding on activities not agreed in the work plan, or through other means than agreed in the work plan.
 - 3.2.5 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.
 - 3.2.6 Cyber fraud, i.e. phishing emails, hacking of network or ransoming charity data.
- 3.3 Internal Fraud Risks
- 3.3.1 Expense fraud, where employees claim false or inappropriate expenses.
 - 3.3.2 Abuse of power. An employee abuses a position of trust and/or power to override financial controls.

Responsible Persons

- 4.1 The **Director of Finance, Operations and Governance (DFOG)** is responsible for:
- 4.1.1 Developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud.
 - 4.1.2 Regularly reviewing Blue Marine’s anti-fraud policy and compliance to ensure it remains effective and relevant to the needs of the charity.
 - 4.1.3 Raising all allegations of fraud with Executive Management and the **People and Culture Team** with the view to commencing disciplinary and/or legal action where appropriate.
 - 4.1.4 Reporting to the Board of Trustees on all aspects of fraud risk management.
- 4.2 Project Managers are responsible for:
- 4.2.1 Familiarising themselves with the types of fraud and dishonesty that might occur within their projects and activities.
 - 4.2.2 Monitoring compliance with internal controls and agreed policies and procedures.
 - 4.2.3 Notifying the **DFOG** of any indications of fraudulent activity.
- 4.3 All staff are responsible for:
- 4.3.1 Ensuring that Blue Marine’s reputation and assets are protected against fraud.
 - 4.3.2 Reporting known or suspected fraud.
 - 4.3.3 Assisting in the investigation of suspected fraud.

Fraud Response Plan

- 5.1 Blue Marine has established guidelines on the immediate actions to be taken in the event of a fraud being discovered or suspected.
- 5.2 **Step 1: Report.** Immediately on discovering or receiving a report of suspected fraudulent behaviour, the **DFOG** 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 the 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.

- 5.3 **Step 2: Prosecute.** Blue Marine will attempt, with law enforcement, to identify the fraudster and will seek legal advice on prosecution. Blue Marine will fully co-operate with investigations into the fraud and will seek to recover all funds or assets lost.
- 5.4 **Step 3: Review.** Blue Marine 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 Marine will evaluate the lessons learned and communicate these lessons with staff, volunteers and Trustees, to continue to promote and encourage the anti-fraud culture.

Reporting Suspicions

- 6.1 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 Marine's [People and Culture team](#).
- 6.2 Blue Marine 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 Marine's Whistleblowing Policy.