

ALCOHOL EDUCATION AND RESEARCH COUNCIL

ANTI-FRAUD POLICY

Introduction

The AERC requires all staff and trustees at all times to act honestly and with integrity and to safeguard the charitable resources for which they are responsible. Fraud is an ever-present threat to these resources and hence must be a concern to all staff and trustees. The purpose of this statement is to set out your responsibilities with regard to the prevention of fraud.

AERC Policy

All cases of fraud, or attempted fraud, against the AERC will be thoroughly and promptly investigated. Where appropriate, legal and/or disciplinary action will be taken.

Any fraudulent use of the AERC's funds, whether by third parties or our own staff/trustees, will not be tolerated and all reasonable measures will be taken to prevent fraud occurring. All staff/trustees have a responsibility to safeguard charitable resources and any actual or attempted abuse of that trust will be investigated.

What Is Fraud?

No precise legal definition of fraud exists; many of the offences referred to as fraud are covered by the Theft Acts of 1968 and 1978. The term is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

Roles and Responsibilities

All staff and trustees are responsible for:

- a) Acting with regularity and propriety in the use of official resources and in the handling and use of AERC funds whether they are involved with cash or payments or receipts. In the event of fraud being perpetrated by a member of staff or trustee, this will be regarded as gross misconduct leading to dismissal.
- b) Developing and maintaining effective controls to prevent fraud.
- c) Taking appropriate legal and/or disciplinary action against perpetrators of fraud.

- d) Reporting details of any fraud or suspected fraud immediately to the Chairman of The Finance and General Purposes Committee and/or the AERC's Accounting Officer.
- e) The Chairman of The Finance and General Purposes Committee will take responsibility for investigating any attempted or suspected fraud. He/she will inform the Chairman of the AERC and should at the earliest opportunity inform the Department of Health Sponsoring Division in accordance with the Management Statement/Financial Memorandum.

Fraud Response Plan

If you suspect fraud:

- a) Inform the Chairman of the Finance and General Purposes Committee and/or AERC Accounting Officer. In the event of both these individuals being suspected, then the Chairman of the Alcohol Education and Research Council should be contacted. He/she should then take responsibility for investigating the alleged fraud.
- b) Any decision to involve the police will be taken by one of the above, and in the first instance Westminster Police Station, 202-206 Buckingham Palace Road, London SW1, should be contacted (tel. No: 020 7730 1212). The DH Sponsoring Division should be notified of the facts in the first instance, in accordance with the relevant section of the MS/FM. The DH should also be approached early for advice about how to secure any evidence relating to the fraud. (The DH may wish its own Internal Audit Unit to carry out the investigation). Generally it is advisable that the suspected perpetrator should not be allowed access into the office or to any of the IT equipment before the investigation begins.
- c) If fraud has been perpetrated by someone outside of the AERC, the most senior executive at that organisation should be written to notifying them of the fraud, explaining the amounts involved and seeking recovery of lost monies. It may be advisable to seek legal advice over the content of the letter and to consider the action which might be necessary if litigation to recover the debt seems likely.
- d) If losses occur as a result of a fraud by a member of staff or Council, the perpetrator should firstly be notified of the size of the loss caused by the fraud, as soon as this is known, and be invited to repay or recompense for this loss. Generally, it is advisable to obtain the agreement of the person concerned before recovery of the losses begins. In some cases, however, agreement will not be necessary, e.g. in the event of an overpayment of salary. If the individual does not agree then it may be necessary to consider legal proceedings to recover the losses. Even if the perpetrator does agree, this will not prevent the AERC pursuing the matter further, in accordance with steps a to c above