

Fraud Policy and Response Plan

Part A: Introduction

Objectives

1. The objective of the Fraud Policy and Response Plan is to lay out the BWA's response to fraud and to safeguard the proper use of the British Wrestling Association Limited's (BWA) finances and resources against fraudulent acts; and to comply with the law and relevant regulations.
2. This Fraud Policy and Response Plan should be taken in tandem with the BWA Finance Manual which holds the BWA's financial regulations (aimed at the *Prevention* of fraud) that govern the proper use of finances and resources.
3. The BWA has a responsibility to ensure that income and resources are used solely for the purposes intended.

Definitions

4. The Fraud Act 2006 became law on 15 January 2007, and under the Act fraud is now a specific offence in law.

A person acts fraudulently when he or she, with the intent of making a financial gain or causing a financial loss or exposing another to the risk of financial loss:

- a) dishonestly makes a false representation, or
- b) dishonestly fails to disclose information which he or she is under a legal duty to disclose; or
- c) occupies a position in which he/she is expected to safeguard, or not act against, the financial interests of another person and;
 - i) dishonestly abuses that position; and
 - ii) intends, by means of the abuse of that position;
 - (a) to make a gain for himself/herself or another or
 - (b) to cause loss to another or to expose another to risk of loss.
- d) A person may be regarded as having abused his/her position even though his/her conduct consisted of an omission rather than an act.

Part B: Policy

5. Fraud is a serious matter. All cases of suspected fraud will be investigated, whether they concern the assets of the BWA, or of persons or bodies connected with the BWA (e.g. grant applicants). Any member of staff, regardless of their position or seniority, against whom prima facie evidence of fraud is found, will be subject to disciplinary procedures which may result in dismissal.
6. The BWA reserves the right to seek redress via civil proceedings against individuals whose fraudulent acts have resulted in financial loss to the BWA, whether or not the individual concerned is criminally convicted of that fraudulent act.
7. The BWA may involve the police in any case of fraud or suspected fraud, at any stage of an investigation.
8. The BWA's financial regulations, outlined in The Finance Manual, which apply to the conduct of all the financial affairs of the BWA, apply to all members of staff.

The Regulations govern the proper use of finances and resources (which may, for example, involve cash, equipment, facilities, information, staff time, physical or intellectual property) in a manner which satisfies the BWA's requirements for accountability, internal control, and the management of financial risk; including any legal or financial obligations laid down by the HM Revenue and Customs, UK Sport, Sport England and any other stakeholder.

The BWA's Responsibilities

9. The BWA must:
 - a) Ensure it has suitable policies, practices and controls in place to safeguard itself against fraud outlined in the BWA's "Finance Manual"
 - b) Ensure it communicates its policy on fraud to staff in a formal policy statement;
 - c) Carry out vigorous and prompt investigations if fraud occurs;
 - d) Take appropriate legal and/or disciplinary action against perpetrators of fraud; and
 - e) Take disciplinary action against employees where their failures have contributed to the commissioning of fraud.

Risk Responsibilities

10. Overall responsibility for managing the framework for fraud prevention has been delegated to the Chair of the BWA. Their responsibilities include:
 - a) Establishing an effectively Fraud Policy and Response Plan
 - b) Establishing appropriate mechanisms for reporting suspected fraud;
 - c) Ensuring that all staff are aware of the Fraud Policy and Response Plan and know what their responsibilities are in relation to combating fraud;
 - d) Ensuring that prompt and vigorous investigations are carried out if suspected fraud is reported
 - e) Ensuring that appropriate action is undertaken to minimise the risk of similar frauds occurring in the future.
 - f) Ensuring appropriate action is taken to recover assets

- g) Ensuring appropriate legal and/or disciplinary action is taken against perpetrators of fraud
- h) Ensuring appropriate disciplinary action is taken against line managers where their failure to carry out their responsibilities has contributed to the commission of fraud
- i) Ensuring appropriate disciplinary action is taken against staff who fail to report fraud.

Directors, Managers and Supervisors Responsibilities

11. The day to day responsibility for the prevention and detection of fraud rests with managers who are responsible for:
- a) Having an understanding of this Fraud Policy and Response Plan;
 - b) Ensuring that an adequate system of internal controls exists within their areas of responsibility and that controls operate effectively;
 - c) Preventing and detecting fraud;
 - d) Assessing the types of risk involved in the operations for which they are responsible;
 - e) Reviewing and testing the control systems for which they are responsible;
 - f) Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

Employee Responsibilities

12. All staff are responsible for:
- a) Acting with propriety in the use of the BWA's resources and in the handling and use of public funds where they are involved with payment systems, receipts, or dealing with grant applicants, contractors or suppliers.
 - b) Being alert to the possibility that unusual events or transactions could be indicators of fraud;
 - c) Reporting details immediately to their Line Manager or the Chair of the BWA if they suspect that a fraud may have been committed or they notice suspicious acts or events;
 - d) Co-operating fully with whoever is conducting internal checks or reviews or fraud investigations.

What to do if you think there might be fraud

13. Any member of staff who suspects with good cause that fraud has been committed must report the matter immediately to their Line Manager, or to the Chair of the BWA.
14. If it is the Chair of the BWA who is suspected of fraud, the matter should be reported to the BWA Director of Finance.
15. The Chair of the BWA will respond to the reported fraud in accordance with the Response Plan, set out below.
16. All reports of suspected fraud will be treated in the strictest confidence, and any investigation under this procedure will be treated as an investigation under the BWA's Whistleblowing Policy.

17. In order to maintain confidentiality, and prevent compromising any related investigations, employees who are aware of any circumstances of fraud should not discuss those circumstances with other employees or with any other persons.
18. An individual who makes a report of suspected fraud will be protected under the provisions of the BWA's Whistleblowing Policy if the report is made in good faith.

Part C: Response Plan

Reported Fraud

19. Once a suspected fraud has been reported to the Chair of the BWA, the Chair of the BWA will advise in strict confidence the BWA Chief Executive and Director of Finance and any other Director/Manager as appropriate.
20. No other action should be taken, and no investigation should commence, without the explicit approval of the Director of Finance.

Suspension

21. Where the matter is against a member of the BWA staff, the BWA Executive must be consulted before any staff member is suspended and must be consulted throughout on the conduct of the investigation. No one person, acting on his or her own volition, may move to suspend a member of staff suspected of fraud.
22. Any individual who is suspected of fraud may be suspended immediately (on the current appropriate rate of pay) pending a full investigation. In some cases it may also be necessary to suspend other staff in order to conduct a proper investigation. The suspension of a member of staff does not constitute a finding of misconduct against him or her. Any staff suspended as a result of suspected fraud will be informed of the reason for the suspension.
23. Individuals suspended for suspected fraud, and individuals suspended to enable a proper investigation to be carried out, will normally be required to leave the premises immediately. During the period of suspension they will not be permitted to return to the premises, to make contact with staff or witnesses, or to act on behalf of the BWA, unless given express permission to do so. Any infringement of this requirement will be treated as a disciplinary offence.
24. Where the indicative losses are found to exceed £5,000, the Chair of the BWA should obtain immediate legal advice as to whether or not it is appropriate to seek an injunction to freeze the assets of the suspected party pending a formal investigation.

Police Involvement

25. The BWA Chair will decide whether the police should be involved at any stage of each fraud investigation, on the basis of recommendations made by the Director of Finance and legal advisors.

26. In all cases where the police are involved, the BWA reserves the right to proceed with its own disciplinary procedures when it would be reasonable to do so, bearing in mind the employee's rights to a reasonable investigation, to defend him or herself and to a fair and impartial hearing.

Conduct of the Investigation

27. All reports of suspected financial irregularities or fraud, both internal and external, will be investigated by the BWA.
28. The BWA Chair has an unrestricted right of access to all documents, books of account, computer data and to any other information which he considers relevant to his enquiries and which is necessary to fulfil his responsibilities. This includes the right to verify assets, and the right of direct access to any employee or person responsible for the administration or management of BWA funds with whom he feels it is necessary to raise and discuss such.
29. The BWA Chair may engage external audit advisors, external legal advisors and external fraud investigators as appropriate.
30. At all times the BWA Chair will record activities and findings. This creates a record of the investigation and enables the Director of Finance and the BWA Executive to view the progress of the investigation at any time.

Recovery Action

31. The BWA will take appropriate steps, including legal action if necessary, to recover any losses arising from fraud, theft or misconduct. This may include action against any party involved in the fraud or those whose negligent conduct contributed to the fraud.

Part D: Further Information

Report of Investigation

32. On completion of an investigation of fraud, a written report, prepared by the BWA Chair shall be submitted in strict confidence to the Director of Finance who will refer the matter to the appropriate person to take any necessary action, including disciplinary action.
33. A copy of the report shall also be submitted in strict confidence to the BWA Executive to decide whether or not the circumstances are such that the written report ought to be anonymised in order to protect the identities of the people involved in the investigation before it is submitted to the Board.
34. The report shall contain:
- a) a description of the incident, including the value of any loss, the people involved and the means of perpetrating the fraud;
 - b) a description of or recommendation for resolution of the matter;
 - c) the measures taken to prevent a recurrence; and
 - d) any action needed to strengthen future responses to fraud, with a follow up report on whether or not the actions have been taken.

Register of Allegations of Fraud

35. The BWA Chair shall maintain a register (the 'Register') of all cases of fraud which are reported within the BWA, including those where there was found to be no case to answer.
36. Special arrangements for the storage and maintenance of the Register should be made to take account of the confidential and sensitive nature of the information contained in it.
37. The Register is to be available for inspection, subject to the personal information disclosure constraints of the Data Protection Act 1998, and subject to the Freedom of Information Act 2000.
38. The register will include the following information:
 - a) the date of the complaint;
 - b) the reference number/file number;
 - c) the nature of the fraud reported;
 - d) the potential costs to the BWA; and
 - e) the status of the investigation.
39. All requests for references for individuals known to have been disciplined or dismissed for fraud must be referred to the BWA Chair advice on how to respond in accordance with employment law. In no circumstances must any person provide a reference for a member of staff whom they know to have been dismissed for fraud, without first consulting the BWA Chair

Fraud Policy and Response Plan Review

40. The BWA Chair will review this policy bi-annually, and make amendments as required after each investigation. Any proposed change to the Fraud Policy or the Response Plan must be referred to the Board for approval.