

## **Anti-Fraud Policy and Fraud Response Plan**

### **1. Introduction**

The South Western Regional Library Services (SWRLS) is committed to the prevention of fraud and the promotion of an anti-fraud culture. SWRLS operates a zero-tolerance attitude to fraud and requires Trustees and staff to act honestly and with integrity at all times, and to report all reasonable suspicions of fraud. SWRLS will investigate all instances of actual, attempted and suspected fraud committed by staff, 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.

### **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. Responsible Persons**

All Trustees are responsible for ensuring that SWRLS's reputation and assets are protected against fraud; reporting known or suspected fraud; assisting in the investigation of suspected fraud.

### **4. Specific risk mitigation measures**

Conflicts of interest are known to increase the risk of fraud. Therefore all staff and Trustees who have an interest in an actual or potential supplier (whether personally, or through family members, close friends or associates) must report that conflict of interest to the board of Trustees.

### **5. Fraud Response Plan**

SWRLS has 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, please report to the Chair of Trustees or in their absence the Treasurer. On establishing that an attempted or actual fraud has taken place, the fraud will be immediately reported to [Action Fraud](#), the bank(s), 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**

SWRLS will seek to take disciplinary and/or legal action against fraudsters and will seek legal advice. SWRLS will fully co-operate with investigations into the fraud and will seek to recover all funds or assets lost.

#### **Step 3: Review**

SWRLS 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. SWRLS will evaluate the lessons learned and

communicate these lessons with staff and Trustees to continue to promote and encourage the anti-fraud culture.

### **NB. FRAUD WARNING SIGNS**

Whilst by no means being proof alone, the circumstances below may indicate fraud, and should be treated as a warning sign:

- Emails that are out of character for the sender and with instructions to make payments or disclose information;
- Business emails sent from a personal email account;
- Unusual discrepancies in accounting records and unexplained items on reconciliations;
- Financial documents - such as invoices, credit notes, delivery notes, orders etc. – provided as photocopies rather than originals, or frequently contain alterations or deletions. This might indicate counterfeit or falsified documents being used to support bogus account entries;
- High numbers of cancelled cheques, or duplicated payments or cheques;
- Suppliers regularly submitting invoices electronically in non-PDF format that can be altered;
- Unexplained variances from agreed budgets or forecasts;
- Misdescription of purchase and expense items in the accounting system;
- Inconsistent, vague or implausible responses to reasonable and legitimate queries about the accounts or accounting records, and/or queries being left unexplained, or taking a long time to resolve;
- Reluctance by a member of staff or trustee involved in handling finances to accept assistance or over-protectiveness of work;
- Single member of staff or trustee have control of a financial process from start to finish with no segregation of duties;
- Sudden changes to the format of financial information presented to the trustee board or senior managers which make them complicated or difficult to understand.

**Adopted by the Board of Trustees, 6/2/25**

**To be reviewed annually**