Fraud Management Policy and Procedure for **Icon for Child and Adult Nurturing (I-CAN) Enterprise**

ICAN
Icon for Child and Adult Nurturing

Purpose of Fraud Policy
ICAN Fraud Policy sets out the responsibility of employees and management in relation to reporting of fraud or suspected fraud within the organisation . It is important to note that the

Scope of Fraud Policy
The Fraud Policy applies to any irregularity, or suspected irregularity, involving employees and where appropriate consultants, vendors, contractors, outside agencies doing business with ICAN or employees of such agencies, and/or any other parties having a business relationship with ICAN.

Definition of Fraud

Fraud can be broadly defined as an intentional act of deceit to obtain an unjust/illegal advantage. For the purposes of the policy, fraud shall include but is not limited to:

- Theft or misappropriation of assets owned or managed by ICAN;
- Submitting false claims for payments or reimbursement;
- Accepting or offering a bribe or accepting gifts or other favours under circumstances that might lead to the inference that the gift or favour was intended to influence an employee's decision-making while serving ICAN;
- Blackmail or extortion;
- 'Off the books' accounting, or making false or fictitious entries;
- Knowingly creating and/or distributing false or misleading financial reports;
- Paying of excessive prices or fees where justification thereof is not documented;
- Violation of the organisation's procedures with the aim of personal gain
- Wilful negligence intended to cause damage to the material interest of ICAN
- A dishonourable or reckless or deliberate act against the interests of ICAN

Responsibility for the Prevention and Detection of Fraud

All employees have a duty to guard against fraud. Employees are expected to identify processes and procedures that may be vulnerable to fraud and to draw such instances to the attention of management in their division.

Management have a particular responsibility to be familiar with and alert to the types of fraud that might occur in their area and to put in place effective controls to avoid such occurrences. Management shall provide support to and work with the Internal Audit Division, other Divisions involved, and law enforcement agencies in the detection, reporting and investigation of dishonest or fraudulent activity, including the prosecution of offenders. Once fraud is detected, Heads of Divisions are responsible for taking appropriate corrective action to ensure adequate controls are put in place to prevent reoccurrence of improper activity. Managers shall be conscious that, given the widespread use of IT systems, and the separation of controls across divisions, fraud may come to light in Divisions other than those in which they are committed.

FRAUD PROCEDURE

1. Reporting a Suspected Fraud

Reporting fraud according to the following procedure is mandatory for any employee who suspects that a fraud has occurred. Persons who cover up, obstruct, or fail to report (or monitor) a fraud that they become aware of, or ought to have been aware of, may be considered to be an accessory after the fact and may be subject to disciplinary code which could involve action up to and including dismissal. Persons who threaten retaliation against a person reporting a suspected fraud shall be subject to the disciplinary code which could include action up to and including dismissal or prosecution or both. Great care must be taken in dealing with suspected dishonest or fraudulent activities to avoid:

Alerting suspected individuals to an investigation underway; Treating employees unfairly; and Making statements that could lead to claims of false accusations or other charges. Details of the incident, facts, suspicions or allegations should not be discussed with anyone inside or outside the investigating team. In particular, the matter should not be discussed with the individual suspected of fraud.

2- Procedure for the Investigation of Alleged Fraud

No investigation of a suspected fraud should take place until the Head of Internal Audit has been informed. The Head of Internal Audit, in turn, will determine who best to inform i.e. the Governor, the Chair of the Audit Committee, the Deputy Governors, Officer, Human Resources Director and the Head of Security. Internal Audit must investigate all instances of suspected frauds reported to them. The Head of Internal Audit (except in any case involving his or her division) will take the lead when fraud investigations are being conducted. This will involve data collection, analysis and intervention, including the review of internal controls. In circumstances where the investigation requires the use of technical expertise, which Internal Audit may not possess, external specialists (subject to the approval of the Governor or Deputy Governors) may be appointed to lead (if the case involves Internal Audit) or to contribute to the investigation.

3-References for Employees Disciplined or Prosecuted for Fraud

Where there is a request for a reference for an employee who has been disciplined or prosecuted for fraud or dishonesty, the Human Resources Division shall prepare any reply to such a request having regard to ICAN policies and employment law.

4. Review of Fraud Policy

The Fraud Policy will be reviewed at least every three years by the Audit Committee.