group policies and procedures

# castleman FRAUD policy

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| Category | Corporate Governance |
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**Related policies and guidance**

Freedom to Speak Up and Whisleblower’s Policy

Public Interest Disclosure Act 1998

Theft Acts 1968 & 1978

Forgery & Counterfeiting Act 1981

**Document revision and approval history**

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# Aim

The purpose of this Policy is to set out Castleman Healthcare Ltd’s policy on fraud and set out its responsibilities for fraud prevention. It also refers to the Fraud Response Plan, which outlines the actions to be taken if you discover or suspect fraud.

Castleman Healthcare Ltd will uphold all UK legislation relating to countering fraud and requires all staff at all times to act honestly, wth due care and with integrity to safeguard the resources for which they are responsible and the reputation of the company. Fraud is an ever-present threat to these resources and hence must be a concern of all members of staff. This document defines the procedure for approval and sign off of documents drafted for Castleman Healthcare Ltd including clinical service delivery documents, financial, operational and business reports.

# FRAUD POLICY

This document, together with the Fraud Response Plan herein, is intended to provide direction and help to those officers and directors who find themselves having to deal with suspected cases of theft, fraud or corruption.

These documents give a framework for a response and advice and information on various aspects and implications of an investigation. These documents are not intended to provide direction on prevention of fraud.

**Policy objective**

Castleman has a commitment to high legal, ethical and moral standards and is committed to operating a framework for the prevention and detection of fraud and corruption, and a robust process to be followed in the event that corruption is suspected. All members of staff are expected to share this commitment. The objective of this policy is to facilitate the development of procedures, which will aid in the investigation of fraud and related offences. It will regularly assess the nature and extent of the risks relating to corruption.

Castleman Healthcare Ltd already has procedures in place that reduce the likelihood of fraud occurring. These include standing orders, documented procedures and documented systems of internal control and risk assessment. In addition the Board aims to ensure that a risk (and fraud) awareness culture exists in this organisation.

Through the implementation of this policy, staff will be able to ensure by appropriate due diligence that those with whom it does business with share the culture of intolerance to corruption.

**Scope**

This policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, and/or any other parties with a business relationship with this organisation. Any investigative activity required will be conducted without regard to any person’s relationship to this organisation, position or length of service.

Fraud comprises both the use of deception to obtain an unjust or illegal financial advantage and intentional misrepresentations affecting the financial statements by one or more individuals among management, staff or third parties.

**Legal risks**

The risk is that Castleman Healthcare Ltd may suffer unexpected financial, material or reputational loss as the result of fraudulent action of its staff or others external to the organization.

**Procedure**

1. Castleman Healthcare Ltd is absolutely committed to maintaining an honest, open and well-intentioned atmosphere within the organisation. It is therefore also committed to the elimination of any fraud within the organisation and to the rigorous investigation of any such cases and enforcement (if appropriate).
2. The Board wishes to encourage anyone having a reasonable suspicion of fraud to report those suspected. Castleman Healthcare Ltd will treat the information by any member of staff with discretion and confidentiality and a staff member will not suffer in any way as a result of reporting a reasonably held suspicion even if those suspicions are unfounded.
3. All members of staff can therefore be confident that they will not suffer in any way as a result of reporting reasonably held suspicions of fraud. For these purposes reasonably held “suspicions” shall mean any suspicions other than those, which are raised maliciously and found to be groundless. The organisation will deal with all occurrences in accordance with the Public Interest Disclosure Act.
4. Any member of staff who has a suspicion should notify their supervisor immediately for investigation. At the conclusion of any investigation, the investigator will produce a report.
5. Castleman Healthcare Ltd take seriously any breach of this policy, which may lead to dismissal via the company’s disciplinary procedure. Others external to the organisation may be reported to their supervisors. Any employee or other persons may be subject to the involvement of the police and judicial system in the event of criminal activity.
6. Castleman Healthcare Ltd reserves the right to recover losses associated with any breach of the policy.

# Implementation and compliance

**Responsibilities of all Staff**

All staff are obliged to adhere to this policy. It is the responsibility of the individual to ensure that they understand this policy.

Managers at all levels are responsible for ensuring that the staff for whom they are responsible are aware of and adhere to this Policy. They are also responsible for ensuring staff are updated in regard to any changes in this Policy.

All Managers and Supervisors have a duty to familiarise themselves with the types of improprieties that might be expected to occur within their areas of responsibility and to be alert for any indications or irregularity both within the company or by others with whom the company contracts .

Staff should also understand the rules concerning the acceptance of gifts and hospitality and declaring conflicts of interest.

# FRAUD RESPONSE PLAN

**1. Introduction**

1.1. This plan deals mainly with the responsibilities of all staff in deterring losses to public funds. There are additional responsibilities borne by managers. The document deals mainly with the internal response and actions that we need to take within the Office to both deter fraud, and to respond to any suspicion of it that comes to our attention. That said, it is important to remember that fraud could be carried out by people outside the Office and we each of us need to be aware of this in our dealings with external parties.

1.2. Any suspicion of fraud will be investigated as set out in this plan. Any proven instance of fraud will result in disciplinary action being taken against any member of staff involved. The policy of the Castleman Healthcare Ltd is to notify the police in circumstances where there is evidence that a crime may have been committed.

1.3. The Staff Handbook sets out standards which staff are expected to meet at all times, particularly with regard to the safeguarding of company resources and its reputation.

**2. What is fraud?**

2.1. For practical purposes, so far as this document is concerned, fraud may be taken to mean the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

2.2. The essential elements of fraud are dishonesty, which can include non-disclosure of important facts, and deprivation or risk of deprivation.

2.3. 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.

**3.** **Responsibilities**

3.1. Individual members of staff are responsible for:

• Acting with propriety in the use of company resources and in the handling and use of company funds, whether they are involved with cash or payments systems, receipts or dealing with other third parties.

• Reporting immediately to their line manager or next most senior manager if they suspect that a fraud has been committed or see any suspicious acts or events.

3.2. In addition to those individual responsibilities, managers are responsible for:

• Identifying the risks to which systems and procedures are exposed.

• Developing and maintaining effective controls to prevent and detect fraud.

• Ensuring that controls are complied with.

**4.** **Objectives of this Plan**

4.1. The objectives of having a widely circulated and understood response plan are:

• To deter fraud by publicising steps that will be taken if any is discovered.

• To set out managers’ responsibilities in this area.

• To set out clear guidance on the appropriate steps to be taken if managers become aware of, or suspect that, fraud may be taking place.

4.2. The steps set out in the Plan have been devised with the aims of:

• Minimising delay in taking any appropriate action.

• Reducing the impact of any fraud which takes place.

• Ensuring that any possible frauds are investigated.

• Preventing or minimising losses of funds and resources.

• Maximising the possibility and amounts of recovery.

• Identifying perpetrators of fraud and increasing the likelihood of successful disciplinary or legal action.

• Minimising the possibility of adverse publicity.

• Ensuring that lessons learned from any instances of suspected fraud are acted upon.

**5.** **Reporting**

5.1. Immediately that fraud is discovered or suspected, the matter should be reported in the first instance to the Castleman Chair or in their absence, their Deputy, or a person nominated by them, who will decide what further action is appropriate. If, of course concerns relate to the Chair, then concerns should be reported to the company CEO.

**6. Immediate Considerations and Actions**

6.1. The primary objective should be to ensure that resources and funds are protected. So, the initial investigation should attempt to determine whether there is any possibility of further offences taking place. If there is thought to be any possibility of recurrence, then actions which should be considered include:

• Freezing bank accounts.

• Suspending BACS or cheque payments.

• Suspending individuals.

**7. Enquiries**

7.1. Enquiries into the possibility of fraud taking place should be begun without delay. Facts need to be established, steps taken to protect any individual who may have been unwittingly involved and to ensure that any evidence that is discovered can be used in any subsequent action that might be necessary. To assist in this, it may be appropriate to involve the Police where there is evidence that a criminal offence may have taken place.

**8. Recovery Action**

8.1. Prompt action is likely to be important in maximising recovery of any resources and/or funds which have been lost or are thought to be vulnerable as a result of the fraud.

8.2. Consideration should be given to involving other parties such as:

• The Bank Manager to discuss the desirability or possibility of recalling BACS/CHAPS payments, cancelling cheque payments or withdrawing and replacing pre-printed payment stationery.

• A legal adviser for advice on recovery of other assets.

**9.** **Reporting Action**

9.1. The circumstances of the fraud and action taken should be reported to the Chair, their Deputy or the CEO (depending on section 5 above) who will be responsible for:

• Reporting the matter to anyone deemed appropriate (e.g. the police, counter fraud investigators, NHS England, the Dorset ICB, the accountants etc.).

• Reporting the matter to the Board.

**10.** **Disciplinary/Legal Action**

10.1. Where evidence of fraud is discovered and those responsible can be identified:

• Appropriate disciplinary action will be taken in line with the disciplinary procedure, which is set out in the Staff Handbook.

• When legal action is considered appropriate, full co-operation will be given to investigating and prosecuting authorities.

**11. Further Action**

11.1. A full report on the circumstances and outcome of any fraud or suspected fraud will be produced. The report will cover the identification of any shortfall in current procedures which contributed to the commission, recommendations on actions which could be taken to prevent or reduce the effect of any future occurrence and who will be responsible for considering these.