

Anti-Fraud Escalation Procedure

Sponsor:	Corporate Director of Finance and Resources
Owner:	Head of Finance, Accounting and Shared Services
Date Approved:	September 2017
Date for Review:	September 2019
Distribution:	Non Confidential for Internal and External Use

Purpose	<p>This document details the required escalation procedure to be followed by any Barnardo's Trustee, employee or staff when they have identified a suspected, potential or actual:</p> <ul style="list-style-type: none"> ▪ fraud incident or policy breach; ▪ bribery and corruption incident or policy breach; ▪ terrorism incident or policy breach; ▪ money laundering incident or policy breach; ▪ conflicts of interest issue or policy breach; and ▪ gifts and hospitality issue or policy breach.
Key Requirements	<p>The following procedures must be followed:</p> <ul style="list-style-type: none"> ▪ Escalation The issue must be documented at a high level by the area which discovered the issue/potential policy breach using the Financial Crime Escalation Form in Appendix 1 and send this to reportfraud@barnardos.org.uk, monitored by Corporate Audit Inspection Unit (CAIU) no later than 24 hours after its discovery. Material issues (i.e. where value may exceed £100k or there is risk of significant reputational damage) should be escalated both verbally and through the form immediately. If in doubt as to whether an incident is a policy breach, report it! No time should be wasted investigating the issue prior to escalation to ensure that: relevant personnel are involved in the process as early as possible; and appropriate steps are taken to protect our legal and regulatory position in such circumstances. ▪ Triaging Once received, CAIU will review the case, potentially contacting the notifying area to obtain further information and assign a 'Triage Level'. This will be determined based on: <ul style="list-style-type: none"> ○ the type of incident; and

- its potential financial and reputational impact on Barnardo's, using the Risk Scoring Matrix as a guide.

For this purpose, there are two Triage Levels:

Level 1 (Major):

- any incident potentially involving a senior member of staff (i.e. Corporate Leadership Group or higher);
- any terrorism, bribery and corruption or money laundering issue or incident;
- any fraud, conflicts of interest or gifts and hospitality issue where the amounts involved could potentially exceed £50k or there is another high reputational risk driver.

Level 2 (Minor):

- any fraud, conflicts of interest or gifts and hospitality issue where the amounts involved are less than £50k with no other reputational risk driver.

▪ **Investigation**

The ownership and nature of investigation will depend on the Triage Level assigned, as outlined below.

○ **Level 1 Incidents**

CAIU will investigate the incident and be responsible for:

- ensuring that all activities are undertaken in accordance with the requirements of the Fraud Action/Response Plan as per Appendix 3 of the Anti-Fraud Policy;
- determining the investigation team, the terms of reference for the investigation and securing signed confidentiality agreements from all relevant parties;
- determining the nature and extent of any mitigating actions required, including, but not limited to, any changes to current controls within the relevant area and whether any disciplinary proceedings are required (working with other areas as required, such as the People team);
- overseeing the closure of any such actions, including undertaking any adequacy and effectiveness testing of new controls it deems appropriate;
- identifying whether there is any broader read across to other areas of the Charity and communicating these changes to relevant Directors and ensuring they implement them in an appropriate and timely manner; and
- liaising with all external parties, including, but not limited to, the National Crime Agency, county police forces and others as appropriate.

Note: Once escalated to CAIU, the area in which the incident occurred should not conduct any investigative steps or contact anyone else about the matter, unless advised to do so by CAIU.

○ **Level 2 Incidents**

In the case of Level 2 incidents, the area in which the incident

	<p>occurred will manage the case, with:</p> <ul style="list-style-type: none"> ○ a case manager being assigned of at least managerial grade; and ○ CAIU retaining full oversight of the case throughout. <p>For these purposes, oversight by CAIU involves the following, with all activities to be undertaken in line with the Fraud Action/Response Plan as per Appendix 3 of the Anti-Fraud Policy:</p> <ul style="list-style-type: none"> ○ review and approval of the proposed members of the investigation team and investigation approach to be followed by the relevant area; ○ review and approval of any proposed mitigating actions to be implemented; ○ review and approval of the closure of any actions/the action plan; and ○ review and approval of all notifications to external parties, and resultant actions required. <ul style="list-style-type: none"> ▪ Reporting CAIU will be responsible for all reporting in relation to this process, including to CLT and Audit and Risk Committee. This includes determining any wider lessons learnt from any investigations and/or general communications regarding incidents that should be implemented across the Charity. <p>A high level process flow can be found in Appendix B.</p>
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<p>Review and Approval</p>	<p>This procedure will be reviewed by the Policy Owner at least every two years as part of the review of the overarching policies.</p>
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Appendix A – Financial Crime Escalation Form

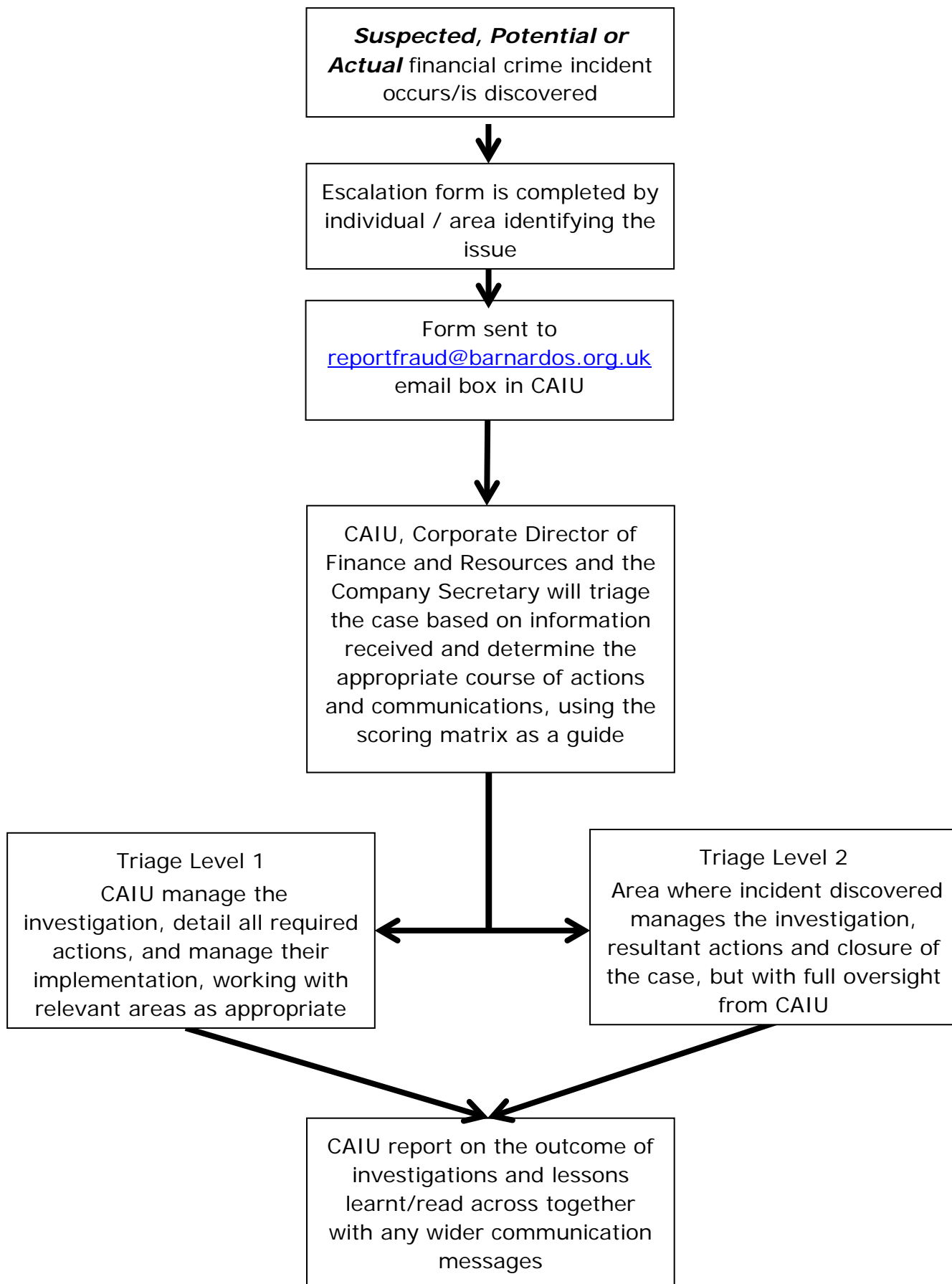
The Financial Crime Escalation Form is attached below:



20180520 Financial
Crime Escalation Form

Appendix B – Financial Crime Escalation Process Flow

The following details the Financial Crime Escalation Process Flow:



Document Control

Policy Owner: Head of Finance, Accounting and Shared Services

Date Approved: June 2018

Review Date: June 2019

Version History:

Version	Date	Author	Status	Comment
0.1	19/2/2018	Sheree Howard	Draft	Initial draft
0.2	25/2/2016	Sheree Howard	Draft	Updated version post receipt of minor comments from Robert Auguste
1.0	20/5/2018	Sheree Howard	Final	Final version for publication