



# Anti-Fraud Policy 2021-2024

**Policy prepared by:** Executive Director of Finance and Corporate Resources

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## 1. ANTI FRAUD POLICY

1.1 One of the basic principles of public sector organisations is the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk of and means of enforcing the rules against financial irregularity including fraud, the intent to defraud, corruption, impropriety and other illegal acts. For simplicity all such offences are hereafter referred to as “fraud”.

1.2 The College has adopted Financial Regulations, procedures and policies that reduce the likelihood of fraud occurring. A system of internal control incorporating a system of risk assessment, through the work of the internal audit service, has also been established.

1.3 The Board of Governors is committed to maintaining an honest and open culture within the College. It is also committed to the elimination of any fraud, and to the rigorous investigation of such cases and the subsequent application of established disciplinary procedures.

1.4 Any suspected or detected fraud will automatically invoke the Fraud Policy.

1.5 The Fraud Act 2006 defines fraud as:

(i) to make a gain for himself or another, or (ii) to cause loss to another or to expose another to a risk of loss. (2) A representation is false if— (a) it is untrue or misleading, and (b) the person making it knows that it is, or might be, untrue or misleading.

Significant fraud is usually where one or more of the following factors are involved:-

- the sums of money are in excess of £10,000
- the particulars of the fraud are novel, unusual or complex
- there is likely be great public interest because of the nature of the fraud or the people involved.

1.6 All cases of significant fraud will be reported to the ESFA, WMCA and/or other relevant funding agency.

1.7 The Board of Governors wishes to encourage any member of staff, student, governor or member of the public having reasonable suspicions of fraud to report them. It is the Board’s policy, which will be rigorously enforced, that no member of staff or student will suffer in any way as a result of reporting suspicions of fraud that they believe to be true, and, staff are assured that there will be no recriminations against them. Victimising or deterring staff or students from reporting concerns is a serious disciplinary matter and will be dealt with accordingly.

1.8 All members of staff and students can therefore be confident that they will not suffer in any way as a result of reporting suspicions of fraud. Equally, however, abuse of the process by raising malicious allegations will be regarded as a disciplinary matter.

1.9 Any contravention of the College’s Fraud Policy should be reported to the Principal.

## 2. ROLES AND RESPONSIBILITIES

### 2.1 ALL STAFF

Under Financial Regulations 3.4 all members of staff have a responsibility for the security of the College's property, for avoiding loss and for due economy in the use of resources. Members of staff are also responsible for taking action to prevent any fraudulent activity at the earliest opportunity.

### 2.2 PRINCIPAL

Responsibility for the investigation of fraud lies with the Principal as the College's Chief Accounting Officer.

The Principal shall inform the Police if a criminal offence is suspected of having been committed.

### 2.3 EXECUTIVE DIRECTOR FINANCE AND RESOURCES

Responsibility for the management of the investigation of fraud has been delegated to the Executive Director Finance and Resources. The Executive Director Finance and Resources shall immediately notify the Principal of suspected fraud and shall take such steps as he/she considers necessary by way of instigating and overseeing any investigation and report.

Members of staff, students and governors who suspect fraud shall immediately notify the Executive Director Finance and Resources. This may be done on a confidential and anonymous basis.

If the suspicion of fraud is thought to involve the Principal and/or the Executive Director Finance and Resources the member of staff, student or governor shall notify the Chairman of the Board of Governors directly of their concerns.

The Executive Director Finance and Resources shall inform the internal audit service of all suspected frauds at the earliest opportunity and may request that the internal audit service leads the investigation, whilst retaining overall responsibility him/herself.

### 2.4 EXECUTIVE DIRECTOR HR and OD.

The Executive Director HR and OD or HR nominee will provide advice where a member of staff is to be interviewed and disciplinary action may result.

The Executive Director HR and OD or HR nominee will advise those investigating any case of fraud or suspected fraud in matters of employment law and other procedural matters e.g. disciplinary procedures.

### 2.5 AUDIT COMMITTEE

The Internal audit service, or others commissioned to carry out investigations of suspected fraud shall prepare a report for the Audit Committee. This report shall include advice on preventative measures.

Where the Audit Committee feels there is evidence of fraud, the Chairman of the Audit Committee must notify the Principal and the Chairman of the Board of Governors, who should raise the matter at the next meeting of the Board of Governors. Where the matter is considered significant, the Governors should consider holding a Special Meeting.

The Audit Committee has the power to commission special investigations by the internal audit service or others.

## 2.6 BOARD OF GOVERNORS

In accordance with Financial Regulations all losses over £5,000 will be reported to the Board of Governors.

## 2.7 LEGAL ADVISORS

Where necessary, the person investigating suspected fraud will seek advice from the College's legal advisers on the legal aspects of the investigation, the legal standards to be maintained and permissible techniques of investigation.

## 3. REPORTING FRAUD AND CORRUPTION

- 3.1 These procedures are intended to reassure members of staff who might be worried about their concerns not being properly investigated or being discriminated against for having raised their concerns.
- 3.2 When a member of staff of the College has grounds to suspect that fraud or corruption has occurred, he/she should report his/her concerns without delay. Time may be of utmost importance; delay may result in further loss to the College or may allow evidence to be destroyed.
- 3.3 In the first instances members of staff should report their concerns or suspicions to the Executive Director Finance and Resources. If the suspicions seem well founded, the Executive Director Finance and Resources will inform the Principal.
- 3.4 If a member of staff's suspicions involve a member of the Board of Governors, the Principal, or the Clerk to the Corporation, the Executive Director Finance and Resources will report their suspicions directly to either the Chairman of the Board of Governors, or in his/her absence, the Chairman of the Audit Committee as well as the Internal Audit Service.
- 3.5 Where the member of staff's suspicions are in respect of the Executive Director Finance and Resources, he/she should report the matter to the Chairman of the Board of Governors. If required, the member of staff may seek the assistance of the Clerk to the Corporation in reporting to the Chair.
- 3.6 Where in the legitimate course of his/her duties, a member of staff has access to documents or other evidence, which supports his/her suspicions; he/she shall make these available to the officer to whom he/she is reporting his/her concerns. Members of staff should not jeopardise their own position or risk alerting a suspected fraudster by attempting to obtain evidence, which is not normally and/or readily available to them.
- 3.7 The investigation of fraud usually requires specialist skills and training. Under no circumstances therefore, should members of staff attempt to carry out any investigations before reporting their suspicions.
- 3.8 Where suspicions of fraud arise in the course of internal audit work, the Head of Internal Audit will immediately notify the Executive Director Finance and Resources or in his/her absence, the Clerk to the Corporation. If the nature of suspicions is such that it is not appropriate to report to the Executive Director Finance and Resources, the Head of Internal Audit will advise the Chairman of the Board of Governors.

3.9 In accordance with recommended practice, the financial statements auditor should report suspected fraud to the Executive Director Finance and Resources or in his/her absence, the Clerk to the Corporation. Suspicions of corruption should be reported to the appropriate body for further investigation e.g. the Executive Director Finance and Resources, the Police or the Audit Committee.