



Fraud Prevention Policy

November 2021

Next review due November 2024

Fraud Prevention Policy

The relevant codes of practice and legislation within which this policy operates include:

- ✓ Whistleblowing policy (Public Interest Disclosure Act 1998)
- ✓ Fraud Act 2006
- ✓ Anti-Bribery Act 2010

This policy applies to all cases of fraud which can be practically defined as ‘any dishonesty with the intent to secure that to which you are not entitled’. Offences of fraud can include theft, misappropriation, embezzlement, deception, forgery, bribery, false accounting, false representation, concealment of material facts, and can be an act of conspiracy, collusion, and aiding and abetting any act of dishonesty.

The Trust aims to minimise fraud and loss through effective prevention and detection measures and is committed to supporting its employees. Where fraud is discovered and investigated, the Trust will review its controls and systems and take all reasonable steps to prevent any repetition.

The Trust will in all cases take the necessary steps to recover any funds lost through fraudulent behaviour.

All members of staff are expected to share this commitment to help the Trust and the College protect the public funds to which it has been entrusted.

This policy has been established to facilitate the continued development of fraud detection and prevention procedures, which will ensure the Trust takes an effective and holistic approach to the prevention, detection, investigation and deterrence of fraud and corruption.

This policy applies to all employees of the Trust and has the full support of the Trustees and the College’s Senior Post Holders. It also applies to:

- ✓ Consultants
- ✓ Temporary Staff
- ✓ Contractors
- ✓ Vendors
- ✓ Any other parties with a business relationship with the Trust or the College.

There is a specific duty expected of the |Trustees, Governors and Senior Post Holders of the College to set an example to the employees of the Trust by acting with integrity, honesty and in a trustworthy manner befitting the Trust and the College.

In line with this, all senior and middle managers are expected to set high examples of conduct in their day to day work which are beyond reproach. All staff are expected to be fully accountable during their employment with the Trust and to comply with all laws and regulations applicable to both the Trust and the College’s business.

The Trust’s responsibilities are to develop and maintain effective controls to prevent fraud

occurring and to ensure that, if it does occur, it will be detected promptly. If fraud is suspected, the Senior Leadership Team will carry out a vigorous and prompt investigation.

The Senior Leadership Team has full right of access to examine any documents or contents of College property. This also includes examination of staff computers, and related equipment.

Instances of fraud or suspected fraud will be reported to the Audit Committee at its next scheduled meeting.

This document is not exhaustive, therefore other matters arising will be subject to scrutiny under this Fraud Prevention Policy.

Prevention

Prevention is the most desirable factor in dealing with any fraud. Unfortunately, not all systems are always fool-proof in stopping the person intent on committing a fraudulent act.

The Trust has a legal responsibility to ensure a sound system of internal control is in place and that a risk assessment has been documented and implemented to ensure fraud and inaccuracies are minimised or prevented.

Internal scrutiny is available to advise relevant managers on best practice and independently monitor the existence and effectiveness of control systems.

The following are key measures the College has implemented to help prevent the occurrence of fraud:

Trustees and Senior Post Holders

- ✓ Trustees and Senior Post Holders of the Trust set the standard for the entire organisation and therefore give their full support to all systems and controls in place to assure probity. In particular, Trustees and Senior Post Holders have a personal responsibility to abide by the Articles of Governance, the Trust's Finance Policy and Financial Procedures, and within the law in an open, honest and trustworthy manner.

Managers

- ✓ All managers are responsible for ensuring an effective system of risk management and internal control exists within their areas of responsibility and that those controls operate effectively. Managers must recognise that they must take a lead in terms of fraud prevention and will be held accountable for not understanding this as part of their position of trust and area of responsibility.
- ✓ Specifically, managers must assess the types of risk involved in the operations for which they are responsible and ensure that controls are being complied with properly by undertaking regular checks.
- ✓ Management are also responsible for ensuring the Trust's commitment to fraud avoidance is communicated to all staff responsible to them, and will be held accountable for failing to do so.

Employees

- ✓ Recruitment procedures have been established to ensure all staff are vetted correctly prior to commencing their employment. This includes undertaking correct background checks on new recruits, permanent and temporary, and ensuring satisfactory written professional references are received prior to making an offer of appointment (see Recruitment and Selection Policy for more detail).
- ✓ All staff are required to attend an Induction programme upon permanent appointment.
- ✓ All employees are required to follow the Trust's Staff Code of Conduct and any other relevant professional codes.
- ✓ All staff have a duty to assist the Trust and the College in the prevention of fraud and are expected to alert their line manager where they believe the opportunity for fraud exists because of poor procedures or lack of appropriate supervision.
- ✓ All employees are expected to report any cases of suspected fraud, no matter how trivial they may seem.
- ✓ As stewards of public funds, employees must have, and be seen to have, high standards of personal integrity. Staff should not accept personal gifts, hospitality, or benefits of any kind from a third party that may be seen to compromise that integrity.
- ✓ Disciplinary procedures are in place to deal with any acts of misconduct by Trust employees.
- ✓ Where a criminal offence is suspected the matter will be investigated fully by the Senior Leadership Team and then, if appropriate, referred to police for further action and possible criminal prosecution. Further to this, recompense will be sought from those found guilty of any such offence.

Detection

Internal Scrutiny is carried out throughout the year, the monitoring carried out as part of the internal scrutiny is based on a risk analysis to determine the Trust and the College's key risk areas. The Internal Scrutiny Report will be made available to the Financial Statement Auditors and review by the Trust's Audit Committee.

All staff are expected to report any suspicions of fraud to their line manager or to the Senior Leadership Team as quickly as possible. A member of the Senior Leadership Team (not including Senior Post Holders) who is suspected of fraud should be reported to the Principal. A Senior Post Holder who is suspected of fraud should be reported to the Chair of the Audit Committee.

For cases where staff feel it is necessary to report their suspicions in a confidential manner, the Trust has outlined its procedures for supporting whistleblowing in its Financial Regulations.

The Trust views fraud as a serious offence and employees will face disciplinary action if there is evidence to support any allegation of fraud. Disciplinary action will be taken in addition to any criminal proceedings, depending on the circumstances of each case.

Trustees and Senior Post Holders will face appropriate action in accordance with these guidelines if evidence supports any allegation of fraud and any findings will be reported to the Audit Committee.

Members of the public are liable to prosecution if any form of fraud is committed against the College.

Investigation

The Senior Leadership Team is responsible for investigating all allegations of suspected fraud except where a member of the Senior Leadership Team is suspected of committing the fraud. Allegations against Senior Leadership Team members who are not Senior Post Holders will be investigated by the Principal. Allegations against a Senior Post Holder will be investigated by members of the Audit Committee.

The Senior Leadership Team has been designated this responsibility to ensure consistency in dealing with all allegations of fraud, to ensure a detailed and proper investigation is carried out, and to ensure the College assets and interests are protected and/or recovered where applicable.

The Senior Leadership Team will take into account and observe relevant HR policies in fraud related cases involving disciplinary investigation, action and hearings. Where fraud is proven, this constitutes gross misconduct and cases will be dealt with appropriately, according to the College's disciplinary procedures.

The Senior Leadership Team will also work closely with other key partners to ensure all cases are investigated appropriately and efficiently, thus maximising outcomes, including recovery of any loss incurred. These partners include:

- ✓ Trustees and Governors
- ✓ Internal Auditors
- ✓ Legal Services
- ✓ Crown Prosecution Service

- ✓ Unions
- ✓ Other outside agencies

It is recognised that being subject to an investigation can be a stressful experience, therefore all investigations will be handled quickly and confidentially to ensure the person under investigation is dealt with in an appropriate and timely manner.

Deterrence

The Trust is committed to deterring potential cases of fraud through the implementation of robust systems and procedures and will act quickly and efficiently where fraud is alleged, leading to the most appropriate outcome. In addition to this the College will:

- ✓ Publicise the Trust and the College's commitment to fighting fraud in any way possible, including: providing information on the Trust and College websites, adding information and contact numbers on outgoing College correspondence where applicable and making press releases where appropriate.
- ✓ Ensure all employees are made aware of the Trust commitment through statements of contract, detailed induction packages including fraud awareness information, and continued training and awareness sessions where appropriate.
- ✓ Take all steps possible to ensure appropriate penalties are sought in cases where fraud is proven, strenuously attempt recovery of any monies lost as a result and thoroughly assess the systems and processes to ensure fraud is minimised in the future.
- ✓ Following investigations make changes to systems and processes where necessary.

This policy should be read in conjunction with the Trust's Anti-Corruption and Bribery Policy