



Fraud Prevention Policy

Policy review area	Staff
Lead manager	Chief Executive and Principal
Approval level	Board of Directors
Start date	March 2022
Review cycle	1 year
Next review	March 2026

Introduction

1. Acquire Learning College always requires staff to act honestly and with integrity and to safeguard the resources for which they are responsible. Fraud is an ever-present threat to resources and therefore must be a concern to staff. Acquire Learning College will not accept any level of fraud and corruption; consequently, any case will be thoroughly investigated and dealt with appropriately. The purpose of this document is to set out the organisation's responsibilities regarding the prevention of fraud and the procedures to be followed where a fraud is discovered or suspected. This policy supplements the organisation's policies on Whistleblowing, Disciplinary Policy and Financial Regulations and, as such, should be read in conjunction.

Fraud, Bribery and Other Irregularity

2. The new Fraud Act 2006 came into force on the 15th of January 2007, and fraud has been given a legal definition. The act introduced provision for a general offence of fraud which is broken into three sections.
 - a. Fraud by false representation
 - b. Fraud by failing to disclose information.
 - c. Fraud by abuse of position
3. Representation must be made dishonestly and is made with the intention of making a gain or causing a loss or risk of loss to another. A representation is defined as false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading. Representation can be stated by words or communicated by conduct i.e., written, spoken or by electronic means.

Fraud by failing to disclose information

4. Fraud by failing to disclose information details that a fraud will have been committed if a person fails to declare information which he/she has a legal duty to disclose. There is a requirement that the person acts dishonestly and intends to make a gain for himself/herself, cause a loss to another or expose another to a risk of loss.

Fraud by abuse of position

5. Fraud by abuse of position requires a person who is in a privileged position to act dishonestly by abusing the position held; and by doing so, fails to disclose to another person, information which he/she is legally required to disclose. The dishonest act must be with the intention of making a gain for himself / herself or another. Alternatively, it may be with the intention of causing a loss or risk of loss to another. The offence may be committed by omitting to make a declaration as well as by an act. The introduction of the Fraud Act 2006 does not prevent the prosecution of offences under the various Theft Acts and Forgery and Counterfeiting Act, e.g., theft, counterfeiting and falsification of documents.

Bribery

6. The Bribery Act 2010 repealed previous corruption legislation and has introduced the offences of offering and / or receiving a bribe. It also places specific responsibility on organisations to have in place sufficient and adequate procedures to prevent bribery and corruption taking place. Bribery is defined as "Inducement for an action which is illegal unethical or a breach of trust. Inducements can take the form of gifts loans, fees rewards or other privileges." Corruption is broadly defined as the offering of the acceptance of inducements, gifts or favours, payments or benefit in kind which may influence the improper action of any person; corruption does not always result in a loss. The corrupt

person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another.

7. Should members of staff wish to report any concerns or allegations they should contact the most appropriate person identified within the Whistleblowing Policy. It is expected that all staff members will lead by example in acting with the utmost integrity and ensuring adherence to all relevant regulations, policies, and procedures. The Bribery Act replaces the offences at common law and under the Public Bodies Corrupt Practices Act 1889, the Prevention of Corruption Act 1906, and the Prevention of Corruption Act 1916 (known collectively as the Prevention of Corruption Acts 1889 to 1916) with new consolidated bribery legislation. Bribery - Giving or receiving a financial or other advantage in connection with the improper performance of a position of trust, or a function that is expected to be performed impartially or in good faith.' (Bribery Act 2010)

The Acquire Learning College's Responsibilities

8. Overall responsibility for dealing with fraud and corruption rests with the Chief Executive and Principal. As the organisation's Accounting Officer, the responsibilities of this post include:
 - a. Establishing and maintaining a sound system of internal control to prevent fraud.
 - b. Establishing effective financial regulations, policies, and procedures
 - c. Establishing appropriate mechanisms for reporting fraud risk issues including reporting to Internal Audit, the Audit Committee and Funding Agencies where appropriate
 - d. Ensuring that vigorous and prompt investigations are carried out.
 - e. Taking appropriate legal and/or disciplinary action where fraud is proven.
 - f. Ensuring that appropriate action is taken to minimise the risk of similar frauds in the future.
 - g. Taking appropriate action to recover assets and minimise the loss.

Line Management Responsibility

9. Line managers are responsible for ensuring that an adequate system of internal control exists within their areas of responsibility and that those controls are effective. The responsibility for the prevention and detection of fraud therefore, rests primarily with the managers. There is a need for all managers to assess the types of risk that their individual department is exposed to; to review and test those control systems regularly; to ensure that controls are being complied with; and to satisfy themselves that their systems continue to operate effectively.
10. Line managers must be alert to the possibility that unusual events or transactions could be symptoms of fraud or attempted fraud. Fraud may also be highlighted because of specific management checks or be brought to management's attention by a third party.
11. Internal Audit is a valuable resource for advice and assistance on control issues. They are responsible for providing an opinion to the Accounting Officer on the adequacy of arrangements for managing the risk of fraud and assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of controls. In terms of establishing and maintaining effective controls it is generally desirable that:
 - a. There is separation of duties so that control of a key function does not rest with one staff member
 - b. When new systems are being designed, safeguards against fraud are considered at an early stage

Staff Responsibilities

12. It is the responsibility of all members of staff within the organisation to ensure that funds controlled by Acquire Learning College are safeguarded against fraud. Staff must alert their line manager if they believe an opportunity for fraud exists because of poor procedures or controls. Staff must report any suspicion of fraud immediately to their line manager (or other person in authority where appropriate) who should record this and report it to the Accounting Officer. Staff are required to cooperate fully with any internal checks, reviews, or fraud investigations. All staff are required to comply with policies and procedures. Failure to comply may result in disciplinary action.
13. All employees have the right to 'blow the whistle' on what they perceive to be a cause of serious concern or malpractice. All staff should familiarise themselves with the Organisation's Whistleblowing' policy and in particular the protection afforded them under the Public Disclosure Act 1998. The Directors assures all staff that they will not suffer in any way because of reporting reasonably held suspicions.

Fraud Response Plan

14. Acquire Learning College has a fraud response plan, which can act as a guide to follow in the event of a fraud being detected or suspected. It covers:
 - a. Initial actions
 - b. Reporting procedures
 - c. Investigating
 - d. Securing evidence
 - e. Informing the Police
 - f. Disciplinary action
 - g. Prevention of losses
 - h. Financial Recovery

Creating an Anti-Fraud Culture

15. The creation of an anti-fraud culture underpins all other work to counter fraud. Staff within the College must understand the risk to fraud faced by the organisation, that fraud is serious and that it diverts valuable resources from its primary objective. The College recognises the importance of training in the delivery of high-quality services and Acquire Learning College supports the concept of fraud awareness training for key staff involved with internal control systems.

Detection and Investigation

16. Where a fraud is detected or suspected, initial responsibility for investigating the matter rests with the Chief Executive and Principal who has been nominated as the Acquire Learning College's Investigating Officer. In her absence, or if the Registrar is in any way alleged to be involved in the fraud, responsibility for investigating the matter rests with the Directors. The Investigating Officer shall inform and consult with the Chief Executive and Principal in all cases. Investigations will be commenced as soon as possible.
17. The Investigating Officer does not have authority to determine the process for undertaking the investigation independently of Internal Audit. Internal Audit will be able to offer specialist advice and should be consulted at the first opportunity. If it is established that a fraud may have occurred, then a comprehensive investigation must be carried out by an experience fraud specialist or referred to the police.

18. It is essential that all material that may be of evidential value must be recovered and preserved for further investigation if required. Additionally, the College must consider whether to suspend any individual, under the College's disciplinary procedures, who the subject of the investigation is. Suspension does not imply guilt; it may be necessary to safeguard further evidence that may be used to prove or disprove the allegation.

Conclusion

19. Whilst the circumstances of fraud will undoubtedly vary it is important that each individual case is subjected to the same rigorous process of investigation and redress. Acquire Learning College values its dedicated and loyal staff but it wishes to reiterate however, that it views fraud very seriously and will not hesitate to take the appropriate action in every case.

RELATED POLICIES

Anti-Bribery Policy

Whistle Blowing Policy

Business Code of Ethics

Fraud Prevention Policy