



# Fraud Prevention Policy

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Acculearn Training Limited

T/A

Cranbrook College

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ACCULEARN

**Reviewed:** May 2024

## Fraud Prevention Policy

Purpose this document has been established to set out the Centre Policy to avoid fraud and establish procedures to deal with fraud if it occurs. The Centre recognises its responsibility to prevent fraud and the documentation within this policy provides information in respect of key roles and responsibilities relating to the prevention of fraud. The Policy is designed to meet the following objectives:

- ♣ Minimise the risk and impact of fraud.
- ♣ Create a culture which deters fraudulent activity.
- ♣ Create an environment that encourages the prevention of fraud while promoting its detection and reporting. The accompanying Response Plan provides information relative to investigating the circumstances surrounding fraudulent activity and dealing with the impact of the business of the Centre.

Scope This Policy and the accompanying Response Plan cover fraud in relation to financial and management systems.

Definitions No precise legal definition of fraud exists; many of the offences referred to as fraud are covered by the Theft Acts of 1968 and 1978. Fraud is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, misappropriation, false representation, concealment of material facts and collusion. For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

### Key Principles

The Centre will:

- ♣ Establish appropriate and effective systems of financial and management control.
- ♣ Establish an Audit Committee with a clear remit to ensure financial systems are in place.
- ♣ Appoint independent internal auditors to advise on, review and report on these systems and develop procedures to be followed by staff who have a suspicion of fraudulent activity
- ♣ Establish a Fraud Response Plan setting out the procedures to be followed in the event of the reporting of possible fraud or the discovery of actual fraud.
- ♣ Publish appropriate guidance in the Centre's Financial Regulations with which all staff must comply.

### Systems of Internal Control

Internal controls such as budgetary controls, segregation of duties, internal checks and staff supervision are designed to minimise the incidence of fraud, limit its impact and assure its prompt detection. Prevention and detection of fraud is only possible where strong internal controls are present and constantly applied. Routine checks and monitoring by management are therefore essential. The implementation of a culture of strong management control will have a deterrent effect when it is known that management are actively involved in ensuring that procedures are followed. The Internal Audit Service assists management in preventing fraud by examining and evaluating the

sufficiency and effectiveness of internal control systems and by making recommendations for improvement.

### **Staff/Training**

The recruitment of suitable staff is the Centre's first defence in preventing fraud and the adoption of best practice processes must be strictly adhered to. Staff provide the best protection against fraud and awareness of policy and procedures is fundamental to the effective operation of systems. This will be addressed as part of induction, formal staff training and regular notices regarding changes to financial procedures.

### **Reporting and Investigation**

Having proper and consistently applied procedures for reporting and investigating fraud will have an important part to play in preventing further fraud. The Centre has developed a Response Plan for investigating and reporting on all suspected fraudulent activity. Such investigations will by necessity remain confidential but management will ensure that the lessons to be learned from each incident are disseminated to staff as appropriate.

### **Responsibilities**

The Management has overall responsibility for this Policy and Response Plan.

The Centre Audit Committee is responsible for approving any changes to this Policy and Response Plan.

The Centre manager and Finance is the owner of this Policy and Response Plan, and is responsible for reviewing it.

The Centre manager is responsible for informing the appropriate bodies about actual or suspected frauds. The Centre manager is also responsible for reporting any incident matching the criteria in the regulatory body's mandatory requirements to the Chairs of the Board of Management.

The Centre manager, Human Resources and Communications is responsible for answering requests for references for a member of staff who has been disciplined or prosecuted for fraud.

The prime responsibility for preventing fraud lies with management through the implementation and operation of internal controls and the fostering of an anti fraud culture across the Centre. Managers are responsible for assessing and controlling the level of risk within their areas of authority.

It is the responsibility of all staff to be aware of fraud and to take the necessary steps to minimise the risk to the Centre and where appropriate report their suspicions to a member of Board as appropriate.

Quality approval check of the final policy is the responsibility of the Head of Quality who will arrange for the policy to be posted on the web.