

Longley Park Sixth Form College

Anti-fraud policy and fraud response plan

Policy No:

Anti-fraud policy and fraud response plan

Introduction

This paper sets out the College's strategies for minimising the risk of fraud, corruption and other irregularity and the plan for responding when such fraud, corruption or irregularity are suspected. This anti-fraud policy and fraud response plan complements the College's Policy for Disclosure of Matters of Public Interest, and guidance issued to staff on how they should react if they suspect fraud and corruption.

Anti Fraud Policy

The Audit Code of Practice states that the College management has responsibility for the prevention, detection and investigation of irregularities. The College's internal audit service assists by examining and evaluating the adequacy and effectiveness of the actions taken to fulfil this obligation.

Irregularities include:

- fraud, which includes the misappropriation of money and property
- corruption
- financial malpractice
- embezzlement
- serious mal administration
- unethical practices that are not necessarily criminal
- dangerous acts or omissions creating health and safety hazards

The College's anti-fraud policy has the following components:

1. The College creates an environment in which high standards of probity and accountability are expected. Governors and senior managers register their outside interests and do not take part in decisions where they have such an interest. Clear guidance on the administration of finance and contracts is set out in the College's financial regulations and standing orders. There is an established whistle blowing policy (Policy for Disclosure of Matters of Public Interest)
2. All members of staff have a duty to comply with the College's regulations and to behave honestly and with integrity, and the College inculcates amongst its staff a strong awareness of the College's control culture.
3. The College's whistle blowing policy encourages staff to voice any reasonably held suspicion as part of an effective anti-fraud culture.

This whistle blowing policy sets out the College's procedure and informs staff of their rights and obligations under the Public Interest Disclosure Act 1998. This legislation will protect employees from any reprisals as long as they meet the following rules:

- they must disclose the information in good faith
- they must believe it to be substantially true
- they must not act maliciously or make false allegations
- they must not seek any personal gain

4. The College incorporates recommendations made by the internal audit service to strengthen the College's financial and operational systems of control.

Fraud response plan

Purpose

1. The purpose of the plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity.

The use of the plan is intended to enable the College to:

- prevent further loss
- establish and secure evidence necessary for criminal and disciplinary action
- notify the funding body, if the circumstances are covered by the mandatory requirements of the audit code of practice
- recover losses
- take action against the culprits
- review the reason for the incident, the measures taken to prevent a recurrence and any action needed to strengthen future responses to fraud
- keep all personnel with a need to know suitably informed about the incident and the College's response
- inform the police and establish lines of communications
- assign responsibility for investigating the incident
- establish circumstances in which external specialists should be involved
- establish policies for follow on actions, such as the future requests for references for employees involved in the incident

Initiating action

2. All actual or suspected incidents should be reported immediately to the Principal. The Principal should then convene a meeting of the following project group to determine the initial response:

Personnel manager, Finance Manager and Internal audit representative

The project group will decide the action to be taken including the need to commission special investigations and the resource implications.

Issues for the project group to consider

3. Prevention of future loss:
 - this may require the suspension with, or without pay of the suspect
 - suspects may need to be escorted from the premises and prevented from gaining future access, including access to the College's computer systems
 - internal audit may consider that other related systems or areas should be investigated
4. Action to be taken against the individual

The College will follow disciplinary procedures against any member of staff who has committed fraud. The College will normally pursue the prosecution of any such individual.

5. Notifying the funding body:

The circumstances in which the College must inform the funding body about actual or suspected frauds are detailed in the funding body's audit code of practice. The principal is responsible for informing the funding body of any such incidents.

6. Recovery of loss

The amount of any loss should be quantified and repayment of losses sought in all cases. Where the loss is substantial legal advice should be obtained without delay.

7. Reporting to Governors:

Any incident matching the criteria in the funding body's audit code of practice shall be reported without delay by the Principal to the chairs of both the Corporation and the Audit Committee. Follow up reports updating progress should be provided.

Any variation from the approved fraud response plan, together with the reasons for the variations, shall be reported promptly to the chairs of both the Corporation and the Audit Committee.

A written report (normally prepared by Internal audit) shall be submitted to the audit committee describing the incident, value of loss, individuals involved and the means of perpetrating the fraud.

The measures taken to prevent a recurrence and any actions needed to strengthen future responses to fraud

8. Review of plan:

The fraud response plan will be reviewed annually, or after each use.

Any need for change will be reported to the Audit Committee for approval.