

# Fraud & Theft Policy

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Policy owner	Fiona Yardley
Policy author	Fiona Yardley
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## **POLICY STATEMENT**

1. Birmingham Metropolitan College has a duty to its stakeholders to take all reasonable steps to prevent fraud and theft occurring, whether perpetrated by staff, students, contractors and suppliers, other organisations or members of the public.
2. The College will maintain robust control mechanisms to both prevent and detect fraud and theft. All members of staff have a responsibility to protect the assets and reputation of the College and are expected to be alert to the potential for fraud and theft. Mechanisms are in place for staff to report suspected frauds to management and in confidence.
3. This policy sets out procedures for fraud prevention, detection, and investigation. The objective of the procedures is to encourage staff to be aware of fraud, bring suspected fraud to attention, provide a response plan for investigating and reporting fraud and ensure that alleged and proven fraud are dealt with in a consistent and timely manner.

## **FRAUD & THEFT PREVENTION**

4. Fraud is one or more of the following:
  - (i) False representation. "False" in this respect means the representation must be untrue or misleading, and the person making it must know it is, or might be, untrue or misleading.
  - (ii) Failing to disclose information that one is under a legal duty to disclose.
  - (iii) Abuse of a position in which one is expected to safeguard, or not act against, the financial interests of another person. To commit this offence the person's conduct must be dishonest with the intention of making a gain or causing a loss to another.
5. Theft means dishonestly appropriating property, including money or other assets.

## **EXAMPLES OF FRAUD**

- Timesheet fraud – for example Associate Lecturers claiming payment for lectures they have not delivered.
- False expenses claims – for example false claims for travel.
- Fraudulent job applications – for example false qualification claims.
- Working for another organisation whilst claiming sick pay from the College.
- Falsely ordering goods or services for personal benefit.
- Data fraud – for example knowingly submitting falsified records to funders.

**For the purpose of this policy an act will be considered fraudulent if it involves the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party (including the College).**

6. The best protection against fraud and theft is through staff adhering to College procedures and not being inhibited to challenge matters which do not appear to be correct. A lack of guidance or ignorance of procedures is often the first excuse used by offenders.
7. The first defence in preventing fraud and theft is through the recruitment of staff, using best practice policies, and managers being seen to comply with controls. The emphasis throughout is a culture which values ethical behaviour and financial probity and has a zero-tolerance policy towards fraud and theft.

## **RESPONSIBILITIES AND OBLIGATIONS**

8. All staff are responsible for reporting practices which they think may be fraudulent. However, prime responsibility for preventing fraud and theft lies with the Executive through:-
  - a. Identifying risks;
  - b. designing, implementing, and operating internal controls;
  - c. fostering an environment that promotes compliance with internal controls;
  - d. promoting fraud awareness amongst staff; and
  - e. fostering an anti-fraud culture.
9. The Executive will be supported by the Director of Finance who shall be responsible for implementation and management of this policy.
10. The Audit Committee shall be responsible for overseeing this policy and ensuring that, subject to compliance with any directions from the Education and Skills Funding Agency, all allegations of fraud are properly investigated, and that appropriate action is taken.
11. All staff have a responsibility to be aware of fraud and to take steps to minimise risk of theft to the College. To this end staff should be aware of the Public Interest Disclosure process (Whistleblowing Policy) which is available on the College intranet.
12. The College is obliged to notify, through the Chief Finance Officer, the Skills Funding Agency if fraud is deemed 'significant' e.g., the sum in question is potentially in excess of £10,000; the details of the offence are novel, unusual or complex or they are likely to excite public interest.

## PROCEDURE

13. The prevention and detection of fraud and theft is made possible by having strong internal controls constantly applied. Routine checks and monitoring by management to ensure that procedures are being followed are, therefore, essential especially in those areas where risk of fraud and theft is greatest.
14. The primary responsibility for the prevention and detection of fraud and theft lies with management through the implementation, documentation, and operation of effective systems of internal control. Monitoring of compliance with controls by management will be reinforced by reviews conducted by internal audit. However, it should be emphasised that internal audit's prime function is evaluating the overall control framework operating in the College.
15. Proper and consistently applied procedures play an important part in preventing fraud and theft. The College expects that suspicions about fraud and theft will be reported and investigated. The College's Fraud & Theft Response Plan must be implemented when fraud is suspected. The plan is a confidential document and can be requested from the Company Secretary if required.
16. Wherever possible an attempt will be made to prosecute to recover any sums lost through fraud or theft using the civil and/or criminal law and relevant insurance policies.