



TITLE	REF	VERSION
Fraud Response Procedure	GOVPRO005	2.0

  

DEPARTMENT	Governance		
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# FRAUD RESPONSE PROCEDURE

## Procedure Statement

Activate Learning is committed to implementing an effective anti-fraud strategy to prevent fraud, promote detection, and identify a clear pathway for investigation.

## Definitions

For the purposes of this procedure, terms are defined as follows:

**Fraud:** *The intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or other gain. Fraud is a deliberate act and is therefore always intentional or dishonest. Examples include: identity theft, embezzlement, forgery, or theft.*

**Corruption:** *The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.*

## Purpose

The purpose of this document is as follows:

- to identify **preventative controls** which are in place to ensure that all reasonable steps have been implemented to prevent instances of fraud and corruption;
- to give clear guidance of the **procedures** to be followed if employees or other stakeholders suspect, or are concerned about, possible fraudulent activities; and
- to identify responsibilities for **investigating and reporting** possible fraudulent activity.

## Scope

This procedure applies to all individuals working for Activate Learning Group, including managers, employees, contractors and volunteers (collectively referred to as “staff” in this procedure).

## Culture

Activate Learning is committed to the highest standards of ethics, professionalism, and regulatory compliance. We therefore maintain a culture in which fraud and corrupt practices are eliminated. However, in instances where fraud or corruption does occur, Activate Learning will take all reasonable measures to ensure that justice is achieved. Activate Learning’s expectation is that staff lead by example to ensure a culture of integrity, transparency, and fairness.

## Internal Control

The Chief Financial Officer is responsible for developing, implementing, and maintaining adequate systems of internal control to prevent and detect fraud. These internal controls are supported by the development of suitable controls in respect of students and operational lines.

Activate Learning recognises the importance of effective action in the recruitment stage to establish the previous record of potential staff in terms of their honesty and integrity. Only candidates who have received positive references and, where applicable, a clear DBS check, will be offered a position within Activate Learning. If staff are engaged on a temporary basis, a risk assessment will be completed and measures will be put into place to ensure that Activate Learning is not put at risk of fraudulent activity.

Budget Holders are responsible for familiarising themselves with the type of fraud and dishonesty which might occur within their business areas. Budget Holders will monitor compliance with internal controls and agreed policies and procedures. Any indications of fraudulent activity must be reported to the Chief Financial Officer.

Financial systems and processes are monitored and regularly reviewed to ensure that controls remain efficient and effective. Financial operations are also open to scrutiny and independently monitored by external and internal audits. Any audit recommendations are actioned and reported back to the Audit and Risk Committee. The general framework of policies and responsibilities for financial management are documented in the Financial Regulations. The Financial Regulations are reviewed and approved annually by the Corporation.

Computer system controls have been implemented to minimise any illegal access to programmes and databases. These controls are outlined in the [Information Security and Data Protection Policy](#).

### **Reporting Fraud**

You must notify the Chief Financial Officer immediately whenever any matter arises which involves, or is thought to involve, irregularity. This includes fraud, corruption, or any other impropriety.

In the event of fraudulent activity being suspected or identified, prompt and effective action is necessary to:

- minimise the risk of any subsequent losses;
- reduce any adverse operational effects;
- improve the likelihood and scale of recoveries; and
- ensure compliance with relevant stakeholders.

### **Investigation of Allegations**

Upon receipt of any report made under this procedure, the Chief Financial Officer will:

- respond to the report in a timely manner and no later than two working days from receipt;
- fully investigate the report to ascertain if the allegation has any substance;
- maintain confidential records of all evidence received or collected;
- implement disciplinary procedures where appropriate, under the [Staff Disciplinary Procedure](#); and
- take remedial and preventative action as necessary.

The Chief Financial Officer will promptly notify the following parties as necessary:

- the CEO and the Chair of the Audit and Risk Committee will be immediately notified of any suspected irregularity; and
- the Police will be notified if there is a belief that a criminal offence has been committed.

### **Notification and Record-Keeping**

Following the completion of the investigation, if the report is substantiated, then:

- the Corporation will be notified of any actual fraud or financial irregularity following the completion of initial investigations;
- the Corporation will inform the Department for Education as required by the Funding Agreement; and
- the incident will be recorded in the Fraud Log by the Director of Governance

### **References**

This Procedure should be read in conjunction with the following Activate Learning Policies and Procedures:

- [Corporate Ethics Policy](#)
- [Bribery and Corruption Procedure](#)
- [Staff Disciplinary Procedure](#)
- [Information Security and Data Protection Policy](#)