Fraud Protection Policy

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Version Control

Version	Date	Author	Changes
1.0	08/08/2025	P Crocker	Initial policy creation
2.0	21/01/2026	S Gilmore	Major revision: funding fraud, prevention controls, funder reporting

Contents

1. Purpose and Commitment

Hybrid Training Centre (HTC) is committed to the prevention of fraud and the promotion of an anti-fraud culture. HTC operates a zero-tolerance approach to fraud and requires all staff to act honestly and with integrity at all times.

This policy aims to:

- Prevent fraud through robust systems and controls
- Promote awareness of fraud risks among all staff
- Establish clear procedures for reporting and investigating fraud
- Ensure compliance with funder requirements, particularly ESFA
- Protect HTC's resources, reputation, and stakeholder interests
- Recover losses where fraud has occurred

2. Scope

This policy applies to:

- All HTC employees, regardless of position or seniority
- Contractors, consultants, and agency staff working for HTC
- Learners and apprentices
- Suppliers and third-party partners
- Employers participating in apprenticeship programmes

The policy covers all forms of fraud including, but not limited to, fraud against HTC, fraud by HTC personnel, and funding fraud affecting public money.

3. Definitions

Term	Definition
Fraud	Dishonest conduct intended to result in financial or personal gain, or to cause loss to another party. Includes deception, false representation, failure to disclose information, and abuse of position.
Funding Fraud	Fraud involving public funding, such as claiming funding for ineligible learners, falsifying evidence, or misrepresenting delivery.
Bribery	Offering, promising, giving, requesting, or accepting a financial or other advantage to induce improper performance of a function.
Corruption	The misuse of entrusted power for private gain, including conflicts of interest and abuse of authority.
Money Laundering	Concealing, disguising, converting, or transferring criminal property, or acquiring, using, or possessing criminal property.

4. Legal Framework

This policy is informed by:

Fraud Act 2006 - defines fraud offences including false representation, failure to disclose, and abuse of position

Bribery Act 2010 - offences of bribing another person, being bribed, and failure to prevent bribery

Proceeds of Crime Act 2002 - provisions for confiscation and recovery of criminal proceeds

Theft Act 1968 - theft, obtaining by deception, false accounting

Computer Misuse Act 1990 - unauthorised access to computer systems

Public Interest Disclosure Act 1998 - protection for whistleblowers

ESFA Funding Rules - requirements for use and reporting of public funding

5. Responsibilities

5.1 Group CEO

- Ultimate accountability for fraud prevention and the integrity of HTC
- Ensuring adequate resources for fraud prevention and investigation
- Receiving reports on fraud investigations and outcomes
- Authorising reporting to external bodies

5.2 Head of Finance & HR

- Developing and maintaining internal controls to prevent and detect fraud
- Promoting fraud awareness among staff
- Leading or overseeing fraud investigations
- Reporting to funders as required
- Conducting post-investigation reviews
- Ensuring staff understand fraud risks during induction

5.3 All Staff

- Acting with honesty and integrity at all times
- Protecting HTC's assets and resources
- Reporting known or suspected fraud immediately
- Cooperating fully with fraud investigations
- Complying with internal controls and financial procedures
- Never attempting to investigate fraud themselves

6. Fraud Prevention

HTC implements the following controls to prevent fraud:

6.1 Financial Controls

- Segregation of duties for financial transactions
- Authorisation limits and approval hierarchies
- Regular reconciliation of accounts
- Independent review of financial records
- Secure handling of cash and payments

6.2 Funding Controls

- Verification of learner eligibility before enrolment
- Evidence requirements for funding claims
- ILR data accuracy checks
- Regular internal audit of funding claims
- Separation of data entry and claim approval

6.3 People Controls

- Pre-employment screening and reference checks
- Declaration of interests
- Fraud awareness training
- Clear policies and procedures
- Whistleblowing arrangements

7. Fraud Detection

HTC employs the following methods to detect fraud:

- Regular management review of financial and operational data
- Internal quality assurance and audit
- Analysis of anomalies and exceptions
- Monitoring of fraud indicators (see Appendix B)
- Staff vigilance and reporting
- External audit and inspection

8. Reporting Procedure

Any person who suspects fraud must report it immediately. HTC encourages reporting and protects those who report in good faith.

8.1 How to Report

- Report to the Head of Finance & HR
- If the concern involves the Head of Finance & HR, report to the Group CEO
- Alternatively, use the Whistleblowing procedure

8.2 What to Report

- Nature of the suspected fraud
- Names of individuals involved (if known)
- Dates and times of relevant events
- Any evidence or documentation
- Names of any witnesses

8.3 Important Notes

- Do not attempt to investigate the fraud yourself
- Do not discuss the matter with the suspected individual(s)
- Preserve any evidence
- All reports will be treated in strict confidence
- Staff reporting in good faith are protected from retaliation

9. Investigation Procedure

9.1 Initial Assessment

The Head of Finance & HR will conduct an initial assessment to determine whether there are grounds for investigation. This will be completed within 5 working days.

9.2 Full Investigation

- An Investigation Officer will be appointed (may be external if appropriate)
- The scope and terms of reference will be agreed
- Evidence will be gathered and witnesses interviewed
- The suspected individual will be presumed innocent until proven otherwise
- The individual will have the opportunity to respond to allegations
- All stages will be documented

9.3 Suspension

Where there are reasonable grounds for suspicion, the individual may be suspended pending investigation. Suspension is not a disciplinary sanction. Suspension may be necessary to prevent interference with evidence or witnesses.

9.4 Investigation Report

The Investigation Officer will produce a report including:

- Summary of the allegation
- Evidence examined
- Findings and conclusions
- Recommendations for action

10. Disciplinary and Legal Action

Where fraud is proven:

- Disciplinary action will be taken in accordance with HTC's Disciplinary Policy
- Theft, fraud, and deliberate falsification of records are gross misconduct and may result in summary dismissal
- HTC will report to the police where there is evidence of criminal activity
- HTC will pursue prosecution where advised that this is feasible
- Professional bodies may be notified where relevant

11. Recovery of Losses

HTC will take all reasonable steps to recover losses resulting from fraud, including:

- Civil recovery action
- Insurance claims where applicable
- Deductions from final salary or pension (where legally permitted)
- Compensation orders through criminal proceedings

12. Reporting to External Bodies

HTC has obligations to report fraud to external bodies including:

12.1 ESFA

As a condition of funding, HTC must report to ESFA:

- Any instances of fraud, irregularity, or financial control weaknesses
- Suspicion of fraud affecting public funding
- Outcomes of fraud investigations affecting funded provision

12.2 Other Bodies

- Police (where criminal activity is suspected)
- Action Fraud (national fraud reporting centre)
- Awarding bodies (where qualifications are affected)
- Lead training providers (where applicable)

13. Post-Investigation Review

Following any fraud investigation, the Head of Finance & HR will conduct a review to:

- Identify how the fraud occurred
- Assess whether controls were adequate
- Implement improvements to prevent recurrence
- Share lessons learned appropriately

14. Policy Review

This policy will be reviewed annually or following any significant fraud incident, changes in legislation, or funder requirements.

15. Related Policies

- Anti-Bribery and Incentives Policy
- Whistleblowing Policy
- Disciplinary Policy
- Financial Procedures Manual
- Data Protection Policy
- Malpractice, Maladministration and Plagiarism Policy

Appendix A: Examples of Fraud

Financial Fraud

- Theft of cash, equipment, or other assets
- False expense claims
- Misuse of company credit cards
- Payroll fraud (ghost employees, unauthorised overtime)
- False invoicing
- Procurement fraud

Funding Fraud

- Claiming funding for learners who do not exist
- Claiming funding for learners who are not eligible
- Falsifying evidence of learning or achievement
- Claiming for delivery that has not taken place
- Manipulating ILR data to maximise funding
- Claiming funding before eligibility requirements are met

Other Fraud

- False representation of qualifications or experience
- Forgery of signatures or documents
- Misuse of confidential information for personal gain
- Conflicts of interest not declared
- Accepting or offering bribes or inducements

Appendix B: Fraud Indicators (Red Flags)

The following may indicate fraud and should be reported for investigation:

- Unexplained changes in financial records or balances
- Missing documentation or records
- Unusual patterns in transactions or data
- Lifestyle inconsistent with known income
- Reluctance to take leave or allow others access to work
- Excessive control over processes without oversight
- Complaints from suppliers about non-payment
- Learner records that cannot be verified
- Evidence that appears altered or fabricated
- Resistance to audit or quality assurance
- Unusual relationships with suppliers or contractors

Policy Approval

Signature: **Date:**

Sophie Gilmore
Group CEO