

# Ginger Nut Training.



## Document Title

**Counter Fraud and Error Policy**

## Originator

**Dan Williams**

## Responsible Person

**Jim Thomas**

## Date of Approval

**June 2024**

## Policy Due for Renewal

**June 2025**

Version

**1.0**

**ginger nut**<sup>®</sup>

## Purpose

The purpose of this policy is to establish guidelines and procedures to prevent, detect, and address fraud, error, and irregularities within Ginger Nut Training. By adhering to this policy, we aim to maintain the integrity of our operations, protect public funds, and ensure compliance with relevant regulations. As an organisation we have a duty to our stakeholders to take all reasonable steps to prevent fraud and theft occurring. Fraud could potentially be committed by staff, associates, learners, subcontractors, suppliers, contractors, other organisations or members of the public.

Our intention as an organisation is to ensure that we maintain robust control mechanisms to both prevent and detect fraud and theft. All staff and associates have a responsibility to protect the assets of the organisation and should be alert to the potential for fraud and theft.

## Scope

All staff and associates have a responsibility for reporting practices which they think may be fraudulent. The primary responsibility for preventing fraud and theft lies with senior managers who have put in place policies, procedures and training to protect the organisation.

Ginger Nut training have an identified Fraud Prevention Lead who will oversee:

- Our approach to the identification of risks
- The drafting and implementation of policies and procedures designed to prevent fraud
- The development of a culture which complies with our policies and procedures
- The promotion of fraud awareness and the training of staff and associates
- The investigation of any issues which need further examination

Senior leaders have also put in place a Board which includes external members and an Audit & Risk Committee which also has external representation. The Fraud Prevention Lead will be responsible for reporting to the Audit & Risk Committee which will provide guidance on the role and expectations of the Fraud Prevention Lead. The Audit & Risk Committee and the Fraud Prevention Lead will seek to ensure that we implement legislation and respond proactively to any guidance issued by the DfE/ESFA and other funders.

The Fraud Prevention Lead will be responsible for investigating any allegations and for ensuring appropriate action is taken. All matters which are deemed to require investigation will be reported to the Audit & Risk Committee, regardless of the nature of the allegation or the outcome of the investigation. Ginger Nut Training is also contractually required to notify the DfE/ ESFA immediately it becomes aware of any instance of suspected fraud or financial irregularity.

All staff and associates have a responsibility to be aware of the potential for fraud and to take steps to minimise risks to the organisation (including theft). Staff should ensure that

they are familiar with the Whistleblowing Policy which is shared with all staff and associates at induction and is available on the company website.

Depending on the nature of the issue we will also report issues of potential theft or fraud to our insurers and to the police.

## Definitions

- **Fraud:** The making of a false representation or failing to disclose relevant information, or the abuse of position, in order to make a financial gain or misappropriate assets (UK legal definition).
- **Error:** Unintentional mistakes or inaccuracies that may lead to financial losses or incorrect data.
- **Irregularity:** Deviations from established procedures or policies that may result in financial loss or reputational damage.
- **Bribery:** Offering or receiving improper benefits.
- **Corruption:** Abuse of power for personal gain.
- **Risk Assessment**

Fraud is one or more of the following:

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.

Failing to disclose information that one is under a legal duty to disclose.

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.

Theft means dishonestly appropriating property, including money or other assets.

## Risk Identification and Assessment

Examples of fraud:

- Associate staff claiming payment for hours they have not worked;
- Staff claiming mileage for journeys they haven’t made;
- Claiming to have qualifications in an application/interview that they do not have;
- Working for another organisation whilst claiming sick pay;
- Falsely ordering goods or services for personal benefit;
- Knowingly submitting falsified/incorrect data returns to the ESFA or other funders, resulting in the inaccurate/overstated funding claims (ILR Fraud).

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 the organisation or another party.

The best protection against fraud and theft is through staff and associates adhering to the organisations procedures and not being inhibited to challenge matters which do not appear to be correct.

If a staff member or associate is at any time unsure of policy or procedures they should seek guidance and support from the Fraud Prevention Lead.

The emphasis at Ginger Nut Training is on the development of a culture that values ethical behaviour and financial probity and has a zero tolerance policy towards fraud and theft.

## Procedure

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.

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 staff and from time-to-time externally appointed funding and compliance specialists.

As an organisation we expect all suspicions about fraud and theft to be reported and investigated. Our Fraud Response Plan is attached to this policy and will be implemented when fraud is suspected or alleged.

The organisation will always attempt to recover any sums lost through fraud or theft using the civil and/or criminal law and relevant insurance policies.

## Vulnerable Areas

The following areas within Ginger Nut Training are potentially vulnerable to fraud and error:

- Financial Transactions: Billing, payments, and financial reporting.
- Data Management: Handling of sensitive information, including apprentice records.
- Procurement: Supplier selection, contract management, and payments.

## Fraud and Error Indicators

- Unexplained discrepancies in financial records.
- Inconsistent data entries.
- Unauthorised access to systems.
- Unusual patterns in transactions.
- Prevention and Detection

### Awareness and Training

- Regular training sessions will raise awareness among staff about fraud risks.
- Employees will be educated on their responsibilities and the consequences of fraudulent behaviour.

### Internal Controls

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.

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 staff and from time-to-time externally appointed funding and compliance specialists.

As an organisation we expect all suspicions about fraud and theft to be reported and investigated. Our Fraud Response Plan is attached to this policy and will be implemented when fraud is suspected or alleged.

The organisation will always attempt to recover any sums lost through fraud or theft using the civil and/or criminal law and relevant insurance policies.

### Reporting Mechanisms

- A confidential reporting channel will be available for employees and apprentices to report suspicions.
- Investigations will be conducted impartially.
- Investigation and Sanctions
- Investigation Process:
- Suspected fraud or error will be promptly investigated.
- Evidence will be collected, and interviews conducted.

### Sanctions

- Disciplinary procedures will be followed.
- Termination of employment or apprenticeship may occur.
- Legal action may be pursued.
- Internal System Testing
- Regular assessments of internal systems will evaluate their robustness against fraud and error.
- Vulnerabilities will be addressed promptly.

### **Policies and Procedures**

The ITP will maintain and communicate relevant policies, including:

- Whistleblowing Policy: Encouraging reporting of concerns.
- Data Protection Policy: Safeguarding sensitive information.
- Error and rectification Policy

### **Responsibilities**

- Finance & Fraud Prevention Officer: Oversight of financial processes.
- Director: Ensuring compliance with data protection laws.
- Audit & Risk Committee: To govern and review policy and ensure that external audits are in place

## FRAUD RESPONSE PLAN

### Purpose

This response plan provides a documented framework for the Fraud Prevention Lead (and if necessary other managers) to follow if fraud or theft is suspected or reported.

The plan seeks to ensure that in the event of fraud or theft timely and effective action is taken to prevent further losses, identify fraudsters, safeguard evidence, minimise adverse effects on the organisation and learn lessons.

### Reporting fraud & theft

All actual or suspected incidents of fraud and theft should be reported without delay to the Fraud Prevention Lead who will normally also be the Investigating Officer.

Where the Fraud Prevention Lead is suspected of fraud or theft the report should be made to one of the Directors or to the Audit & Risk Committee who shall in turn appoint an Investigating Officer.

When reports of fraud or theft are made, the suspicions will be treated seriously, and all details provided will be recorded accurately and in a timely manner. The decision by someone to report a suspected fraud may be traumatic for them, and those reporting fraud are assured that all information will be treated in the strictest confidence.

Anonymity will be preserved where it is reasonably practicable to do so.

The Fraud Prevention Lead will be responsible for liaising with the Audit & Risk Committee and this should be done in a timely manner in all instances where a potential theft or fraud is reported. At this stage, management should take steps to prevent further losses, for example by suspending payments without compromising evidence or alerting the alleged fraudsters.

The Fraud Prevention Lead must also consider the need to report the issue to the DfE/ESFA or other funding bodies as required by contracts or funding rules.

### Initial enquiry

On receiving details of a suspected theft or fraud, the Fraud Prevention Lead will undertake an initial review and decide if any further action will be required, liaising in a timely manner with the Directors and the Audit & Risk Management Committee

The further action may include:

- Suspension and potentially dismissal: fraudulent activity is a breach of contract and where there are reasonable grounds for suspicion, then suspension may be required pending the outcome of enquiries.



- Reporting to the Police: delays in contacting the Police may prejudice the gathering of evidence and future enquiries.
- Reporting to the DfE/ESFA/Other Funders (as applicable): in accordance with contractual obligations and funding rules.

### Conducting an Investigation

The Fraud Prevention Lead should decide the detailed remit and scope of the investigation and also determine the investigation timescales, reporting arrangements and deadlines ensuring that any investigation by the police is not compromised.

The Fraud Prevention Lead (or other trained member of staff) as nominated by the Fraud Prevent Lead, should undertake an internal investigation, producing a report of their findings with all details being recorded fully and accurately. If the issue is complex, the Fraud Prevention Lead may need to produce interim reports documenting progress and intended next steps.

The report should see to identify (where possible) any losses attributable to the fraud/theft. This report may need to be made available to the police and also to insurers.

Where necessary and appropriate the disciplinary policy will also be followed.

### Concluding an investigation

At the end of the investigation, irrespective of the outcome, the Fraud Prevention Lead should review the position and see what lessons can be learned. Such reviews will help identify any weaknesses in controls that initially led to the fraud/theft and should highlight any deficiencies that should be addressed.

On completion of the review, a detailed report should be submitted to the Audit & Risk Committee for consideration. The report should cover the description of the incident, the loss incurred, the people involved and means of perpetrating the fraud. It should set out the measures taken to prevent a recurrence and any timetabled actions for monitoring.