



# COUNTER-FRAUD STRATEGY

## 2021-2023

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## Introduction

1. Telford College requires its staff, students and governors at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible. Fraud is an ever-present threat to those resources and therefore must be a concern to everyone at the College. Telford College will not accept any level of fraud and corruption; consequently, any case will be thoroughly investigated and dealt with appropriately.
2. The Fraud Act 2006 describes fraud as the making of a false representation, or failing to disclose relevant, information or abuse of position, in order to make a financial gain or misappropriate assets. A more in-depth definition of fraud can be found in the College's Anti-Fraud Policy, which should be read alongside this document, and a summary of common types of fraud in education can be found in Appendix A of this strategy.
3. As set out in its grant funding agreements, the Corporation must establish and maintain a robust system of control, ensure compliance and prevent/detect irregularities and suspected fraud. To achieve this, the Telford College Corporation must establish an effective and proportionate counter-fraud strategy, setting out its approach to raising awareness, prevention, detection, investigation and sanction of suspected fraud (Post-16 Audit Code of Practice, July 2020).

## Aims and objectives

4. The primary aim of this strategy is **to prevent fraud** from occurring.
5. This primary objective is underpinned by the following objectives:
  - Self-**assessment and action** planning
  - Ensuring appropriate **policies and procedures** are in place and regularly reviewed
  - Raising **awareness** across the College
  - **Fraud response** procedure – clear actions and responsibilities
  - **Review** and continuous improvement
  - Creating an **anti-fraud culture**

## Scope and responsibilities

6. This strategy applies to the whole college community - staff, students, governors, consultants, contractors, suppliers, partners and external agencies working with the College.
7. The Corporation, as the governing body of the College, is ultimately responsible for the proper stewardship of public funds. Under its approved terms of reference, the Audit Committee has the authority to:
  - Consider and, if appropriate, investigate, or commission investigations into any complaints relating to alleged fraud or other financial irregularity or malpractice at the college in accordance with the College's procedures;
  - Consider, receive reports and, if appropriate, commission investigations into concerns raised in accordance with the Corporation's approved Whistleblowing Policy; and
  - Ensure all allegations of fraud and irregularity are properly followed
8. As the accounting officer appointed by the Corporation, the Principal is responsible for establishing a control environment and ensuring that an effective system of internal controls and risk management is maintained and operated by the College.

9. It is the responsibility of all college managers and staff to:
- Maintain the control environment and comply with and develop policies and procedures;
  - Ensure controls in place operate effectively in their areas of responsibility;
  - Assess the types of risk involved in the operations for which they are responsible;
  - Regularly review and test control systems for which they are responsible and satisfy themselves that controls in place are being complied with and systems continue to operate effectively; and
  - Follow financial regulations and procedures and to bring to the attention of management any control weaknesses or poor compliance with procedures
10. The lead senior officer for the coordination of counter-fraud activity and review of this strategy is the Director of Finance.


### Working in practice

11. Being aware of the College's main areas of risk and taking action to mitigate those risks is a key component of the counter-fraud strategy. The first objective of the strategy is therefore **self-assessment and action planning**.

This assessment activity should incorporate:

- the identification of potential fraud risks
- self-assessment against the ESFA's Anti-Fraud Checklist
- producing a plan setting out actions to mitigate the risks and gaps identified by the checklist

The need for regular review and improvement means this process can be described as a cycle:



Stage	Responsibility
1 - Identification of risk/self-assessment	SLT, supported by the Audit Committee
2 - Action planning to mitigate those risks	SLT
3 - Implementation of action plan	SLT
4 - Review of progress	SLT, supported by the Audit Committee

At the time of writing, the country had entered its second national lockdown in an attempt to prevent the spread and impact of COVID-19. During the first lockdown period there was a national increase in cybercrime, in particular phishing and whaling activity, and the widespread introduction of home working, self-isolation and furlough introduced new opportunities for potential fraud by employees (see Appendix B). It is therefore critical to ensure this is taken into consideration when identifying potential fraud risks and regularly reviewing the college's counter-fraud approach.

12. The second objective of the strategy is having up-to-date **policies and procedures** in place to prevent, deter and identify fraudulent activity. These are a key part of the mitigating action and underpin much of the counter-fraud activity. How these policies and procedures work in practice is explained in more detail within the 'Arrangements for fraud prevention' section of the Anti-Fraud Policy.

13. **Raising awareness** across the College is a two-pronged approach:

- 1) ensuring all individuals can identify fraud, know what action they should take to prevent it and what to do if they suspect or discover fraudulent activity; and
- 2) deterring individuals from committing fraud via a vigilant organisational culture and a strong position on the action that will be taken against suspected fraudsters.

This will be achieved through a variety of means, including mandatory NCSC training, the wider staff CPD programme, information incorporated into the all-staff emails and displays throughout the College campus.

14. The College's Anti-Fraud Policy clearly sets out the **fraud response procedure**, detailing what action should be taken and who by for:

- Reporting suspected fraudulent activity
- Appointing an investigating officer
- Investigation
- Timescales and sanctions

15. New ways to defraud, particularly by external parties, can develop quickly - **review** is therefore a critical component of this strategy. The regular review of the fraud risk assessment and associated action plan will be undertaken on an annual basis, supplemented by an annual counter-fraud report presented to the Audit Committee at its first meeting of the academic year. It will also be important to review the internal audit plan at every meeting of the Audit Committee to ensure it remains relevant and identify if the plan should be amended to respond to new/emerging risks.

16. Focusing on all of the above components will create an **anti-fraud culture** within the College an organisation where:

- everyone is vigilant and can recognise indicators of suspected fraudulent activity;
- everyone knows how to report suspected fraud and does so promptly; and
- the governing body and senior management will lead by example and demonstrate the importance of counter-fraud activity

17. This strategy will be updated every two years or more frequently if circumstances require it. Any proposed changes will be presented to the Audit Committee for members' consideration prior to being presented for approval by the Corporation.

18. Links to the college's Anti-Fraud Policy, Financial Regulations and associated ESFA documents can be found in Appendix C.

## Appendix A – Common types of fraud in education

Produced by RSM, the college’s internal audit service provider

<b>Staff/employee-based</b>	<b>Learner/provider-based</b>
Working whilst off sick Recruitment Agency fraud Gifts and hospitality/conflict of interest False records	Enrolment Attendance Attainment Accreditation Provider
<b>Procurement-based</b>	<b>Finance-based</b>
Collusion Order splitting Price fixing Stock/goods received Sub-standard work	Mandate fraud Email scams Invoicing Income streams False accounts

## Appendix B – COVID-19 specific risks

Produced by RSM, the college’s internal audit service provider

<b>Recruitment fraud</b>	<b>Finance fraud</b>
Revised identity/RTW checks Use of temporary staff Shielding and isolation, false statements Secondary working	Streamlined processes Electronic authorisation/documentation Emergency procedures New suppliers Mandate fraud
<b>Cyber fraud</b>	<b>Parent contact</b>
Phishing and whaling attempts Home/remote working security	Phishing and whaling attempts

## Appendix C - Associated policy documents and resources

Telford College Anti-Fraud Policy (2019)  
<https://mymoodle.telfordcollege.ac.uk/>

Telford College Financial Regulations  
<https://www.telfordcollege.ac.uk/documents/33550/>

Telford College Whistleblowing Policy  
<https://www.telfordcollege.ac.uk/documents/whistleblowing-policy-december-2019/>

### **ESFA’s indicators for potential fraud**

<https://www.gov.uk/government/publications/indicators-of-potential-fraud-learning-institutions/indicators-for-potential-fraud-a-generic-checklist-for-education-providers>

### **Post-16 Audit Code of Practice**

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/902771/Post-16\\_Audit\\_Code\\_of\\_Practice\\_2019-20\\_Final\\_21072020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902771/Post-16_Audit_Code_of_Practice_2019-20_Final_21072020.pdf)