

TrainPlus Staff Policy

Anti-Fraud

Lead Responsibility	Lisa Short	Approved by	TrainPlus Director: Lisa Short
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Policy applicable to	ALL EMPLOYEES and FREELANCE STAFF		
Record of Changes:	No Changes		

TrainPlus' Anti-Fraud Policy

1. Purpose

TrainPlus is committed to the prevention, deterrence, detection, and investigation of all forms of fraud and corruption. In this policy the term 'fraud' includes 'corruption'.

TrainPlus seeks to reduce the opportunity for fraud and will take prompt action to investigate fully and address any suspected cases.

2. Scope

TrainPlus requires all staff, including secondees, contractors and agency staff, to act honestly and with integrity and to safeguard the public resources for which they are responsible.

It is the responsibility of all staff to read and be familiar with the contents of this policy and any related procedures, and to identify and notify TrainPlus of any suspected cases of fraud or fraud risk.

3. Policy Statement

TrainPlus will not accept any level of fraud or corruption and will treat any such matter with the utmost seriousness. Each case will be thoroughly investigated and dealt with appropriately.

Investigations may invoke the Discipline Policy and could result in dismissal and legal action.

TrainPlus may in its discretion report serious and/or illegal acts of fraud to the police.

4. Definitions of Fraud and Corruption

For the purpose of this policy the following definitions apply:

"Fraud": is committed by any person internal or external to the organisation who by any deception dishonestly:

- obtains property belonging to another, with the intention of depriving the other of it.
- obtains for him or herself or another any pecuniary advantage.
- secures the remission of the whole or part of any existing liability to make a payment.
- obtains, or seeks to obtain, for him or herself or another, any pecuniary advantage with or without intent to cause loss to another by:
 - destroying, defacing, concealing, or falsifying any account or any record or document made or required for any accounting purpose.
 - furnishing any account, or any such record or document, which to his or her knowledge is or may be misleading, false, or deceptive.

"Internal fraud": fraudulent acts undertaken by TrainPlus employees; examples include falsification of expense claims, and falsification of invoices for payment.

“Corruption”: the offering, giving, soliciting or acceptance of an inducement or reward (including any gift, loan, fee, or advantage) which may influence the action of any person; examples include a payment, favour, or gift given to an employee of TrainPlus as a reward, or an incentive, to that person for any actions (or inactions) contrary to the proper conduct of their duties.

Examples of areas where corruption can occur include tendering and awarding of contracts, appointment and reward of outside consultants, and funding claims to ESFA.

5. Minimising fraud risk

a. Management responsibilities

I. Director

The Director is responsible for establishing and maintaining a sound and appropriate system of internal control that properly supports the achievement of TrainPlus’ policies, aims and objectives. The system of internal control is an ongoing process intended to identify the principal risks to TrainPlus, evaluate the nature and extent of those risks and to manage them effectively.

II. IT Administration and Support Supervisor (IASS)

The IASS must ensure that internal audit (counter-fraud) arrangements are in place. Internal audit arrangements are to include the development of a fraud risk profile, regular reviews of the fraud risks associated with each of the key organisational objectives, the development of appropriate fraud targets, and design of an effective control environment to prevent fraud commensurate with the fraud risk profile. The IASS will liaise with both the internal and external auditors and TrainPlus as may be appropriate.

It is the responsibility of the IASS to review and update the fraud risk profile; such updates are to include relevant input from management and staff regarding any perceived or actual significant fraud risks.

It is also the responsibility of the IASS to provide the audit committee with recommended steps to take to evaluate the adequacy of TrainPlus’ fraud risk control systems.

III. All Staff

All Staff must be alert to the possibility of fraud and take due notice of any indication of irregularity. For example, each Staff Member is to pay particular attention to business expense claim forms and be alert to the risk of falsification of documents.

It is also the responsibility of each Staff Member to identify and take note of any and all significant fraud risks (potential or actual) that come to their attention, and to advise the IASS who in turn will implement appropriate systems to minimise such risks.

b. Employee duties

You must behave in a fair and honest way in any dealings related to TrainPlus both internally and externally and apply yourself diligently to your work and the execution of your duties. Specifically, you must have due regard to the need to adhere to TrainPlus' internal controls which are designed to prevent, deter, and detect fraud. You must operate within the law, keep to normal ethical business standards consistent with our public-sector funding and be alert to the possibility that unusual events or transactions could be indicators of fraud.

You must immediately report to the IASS or Director if you suspect that a fraud has been committed or see any acts or events which you consider are or may be suspicious. Failure to report such activity may result in disciplinary action.

You must cooperate fully with internal checks, reviews, or fraud investigations.

All disclosures will be dealt with in confidence and in accordance with the terms of the Public Interest Disclosure Act 1998. For further details see TrainPlus' **Whistle-Blowing Policy**.

c. Staff training

It is the responsibility of each member of staff to be familiar with all TrainPlus' internal policies, which are available on TrainPlus' website. Staff will be advised by email when such policies are updated and are under a duty to read and be familiar with updated versions. This is a contractual requirement, pursuant to your employment contract with TrainPlus, and failure to comply may result in disciplinary action.

d. Deterrence

The fraud risk profile and any results stemming from its implementation will be publicised internally, as appropriate, to demonstrate TrainPlus' commitment to reducing the risk and opportunity for fraud.

5. Investigating an allegation of fraud - procedure

Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud.

The focus of each investigation is to:

- minimise and recover losses.
- establish and secure evidence necessary for criminal or disciplinary action.
- review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.
- keep appropriate personnel suitably informed.
- assign responsibilities for investigating the incident.
- establish circumstances in which external specialists should be involved.

a) Initiating Action

All actual or suspected incidents should be reported to the IASS. In certain circumstances, as outlined in the **Whistle-Blowing Policy**, it may be necessary to report suspicions directly to the Director, or to the ESFA.

You should not contact the suspected individual to determine facts or demand restitution, or for any other reason. Nor should you discuss the case, facts, suspicions, or allegations with anyone else, unless specifically asked to do so by the investigating officer.

If there are reasonable grounds for suspecting that a fraud has occurred, the IASS should hold a meeting with the Director within 24 hours of being notified of the suspicion. A decision will be taken at this stage about the severity of the suspected fraud and about involving External Auditors.

b) Process of investigation

Suspected fraud will be investigated without any undue delay, in an independent, professional manner and in the interests of all involved.

The investigation process will vary according to the circumstances of each case and will be determined by the IASS. An investigating officer will be appointed to take charge of the investigation on a day-to-day basis.

The investigating officer will act in an independent manner and will hold a senior management position.

The investigating officer will not disclose the details of any suspected or actual incident to other persons, except where such disclosure is necessary to facilitate the investigation. The investigating officer must not disclose information that may damage the reputation of persons who may later be found to be innocent of any alleged wrongdoing, or who may successfully apply for name suppression in a court of law. Cases of a sensitive nature are to be dealt with by a restricted team only.

c) Suspension of employee against whom an accusation has been made

If there are reasonable grounds for suspicion of fraud, and to facilitate the investigation, it may be appropriate to suspend an employee against whom an accusation has been made. This decision will be taken by the IASS with advice from the Director.

In these circumstances, the employee will be supervised at all times before leaving the premises. Any security pass or keys must be returned. Access to the computer system will be withdrawn.

Suspension should not be regarded as disciplinary action, nor should it imply guilt.

d) Collecting evidence

The investigating officer will take immediate steps to secure physical assets, including computers and any records and all other potentially evidential documents. He or she will ensure that appropriate controls are introduced to prevent further loss.

The investigating officer will maintain detailed records of the investigation. In particular, he or she will keep a record of:

- telephone conversations.
- face to face discussions.
- document reviews.
- results of investigations.

In addition, the investing officer will keep, where possible, a record of who has handled each item of evidence, categorising the evidence into the following groupings:

- prime documents.
- certified copies.
- physical items.
- secondary evidence for discussions.
- circumstantial.

e) Investigative interviews

All interviews will be conducted in a fair and proper manner. Notes of any interviews will be taken and retained on the investigation file.

f) Interim reporting

The investigating officer will provide periodic confidential update reports to the IASS, who will in turn update the Director. Each report will summarise:

- circumstances surrounding case, contributing factors, etc:
- quantification of losses.
- progress with recovery action.
- progress with any disciplinary/criminal action.
- estimate of resources required to conclude investigation.
- action taken to prevent and detect similar incidents.

The IASS will inform the Director to enable the preparation of a communications strategy, should it be required.

g) Further action

The findings of the investigation will be reported to the IASS and Director who will determine what further action (if any) should be taken.

h) Final reporting

On completion of an investigation and following the conclusion of action taken a written report shall be submitted to the External Auditors containing:

- a description of the incident, including value of any loss, people involved, and the means of perpetrating the fraud.
- measures taken to prevent recurrence.
- action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.

i) Recovery of Losses and outcome

The IASS will be responsible for quantifying the amount of any loss for all fraud investigations. Repayment of losses will normally be sought, and legal advice will be obtained about the options available.

In the event of the discovery of criminal behaviour, TrainPlus reserves the right to inform the police. However, if the fraud relates to any contracted services TrainPlus must inform the ESFA, who may take the investigation further.

TrainPlus will take steps to minimise the risk of similar frauds occurring in future.

6. Discipline

TrainPlus will take appropriate legal and/or disciplinary action against the perpetrators of fraud and those whose failures contributed to the fraud.