

New London Educational Trust



ESF London Learning Project Anti-Fraud Statement

Version 1
February 2020

Anti-Fraud Statement

New London Educational Trust's Governing Council and all the staff employed on the ESF London Learning project are responsible for maintaining a culture that is honest and open and that has a zero tolerance to fraud, corruption and unethical behaviour.

1. What Does Fraud Means

Within the project fraud means a wide range of misconducts including theft, corruption, embezzlement, bribery, forgery, misrepresentation, collusion, money laundering and concealment of material facts. It could involve the use of deception to make a personal gain for oneself, a connected person or a third party, or a loss for another – intention is the key element that distinguishes fraud from irregularity.

Two key types of fraud that could include:

- Intentional doctoring/amendment of outcome/results evidence.
- False representation of 'claim' items.
- Use of misleading participant details.

All staff are expected to act honestly and with integrity at all times, to obey the law and to safeguard the public resources for which they are responsible.

2. Responsibilities of Senior Staff

The Director of Finance, ESF Finance Manager and Contract Lead are responsible for:

- Facilitating the prevention and detection of fraud.
- Reporting to the GLA at the earliest opportunity any fraud or suspected fraud identified within the project.
- Co-operate with the GLA and DWP/Treasury in the investigation of fraud and related offences.
- Ensuring that appropriate training and briefing is delivered to project staff.
- Maintaining the Public Interest Disclosure (Whistleblowing) Procedures.

Liaising closely with the Director of Finance and the ESF Finance Manager the Contract Lead is responsible for championing fraud prevention on a daily basis within the project.

3. How the Project will Respond to the Risk fraud.

In addition to clear role demarcation, reporting lines, management of staff, and audit trail available through its MI system, the project's systems and processes to deal with the disclosure of situations of conflict of interests include:

- Regular site audits - by Contract Lead and ESF Finance Manager, including checks on validation processes, ESF eligibility, output/results evidence, deferred expenditure, participant files (tests against the file checklist where staff members sign-off that evidence has been verified and secondary check undertaken by another staff member).
- Referral to investigation – a process is in place whereby any irregularity is immediately acted upon by an independent member of NLET's Governing Council (Trustee Director) who will form an Investigation Committee comprising himself, the chair of the project's Governance Committee, the Director of Finance and the Contract Lead. They will produce an investigation plan which will be reviewed weekly (or daily in the case of heightened concern) until a conclusion is reached. Any potential fraud will be immediately reported to the GLA.

- Policies in Place - the London Learning project is governed by NLETs policies of Whistleblowing and Financial Procedures. The project will have a webpage designated to it where visitors can access all policies, including this Anti-Fraud statement and the complaints procedure.

4. Observing Good Practice

To minimise the exposure to the risk of fraud, the project will adhere to the following:

- There is a segregation of duties for financial processes. No individual project staff member should have sole responsibility for any single transaction.
- Basic records of all income and expenditure are kept, as well as receipts, invoices and supporting documents.
- Financial controls are not being overridden, by-passed or ignored by ANY staff member or partner.
- Bank statements and other accounts are regularly reconciled, with monthly spot checks carried out on books and records by the Director of Finance.
- A culture of control is embedded from the CEO and Director of Finance flowing down through the ESF Finance Manager, Contract Lead and all project staff/partners.
- A review of financial controls is carried out annually by the Director of Finance and an independent member of the NLET Governing Council.
- Checklists in place in participant files signed off by Project Officers.
- Three-tier management checks on all quarterly claims e.g. Project Officer, ESF Finance Manager and Contract Lead.

5. Warning Signs

Most fraud can be caught by internal controls or audit processes so making regular checks as identified in Section 3 will help to identify warning signs such as:

- Are there unusual discrepancies in accounting records and unexplained items on reconciliations?
- Have any documents or account books gone missing?
- Are there high numbers of cancelled cheques?
- Are common names unexpectedly appearing as payees?
- Are there any duplicated payments or cheques?
- Do transactions take place at unusual times with irregular frequency, unusual or 'round' amounts or to unknown recipients?
- Are suppliers regularly submitting electronic invoices in non-PDF format that can be altered?
- Are payments made to individuals or companies with family or business connections to members of staff? This might indicate collusion.

6. Report Concerns / Whistleblowing

Instances of suspected fraud relating to the ESF project detected by a member of staff, participant, partner or stakeholder should be notified immediately to any senior staff named in section 2 above. They will immediately investigate and report to the GLA at the earliest opportunity.

All project staff, partners, participants and stakeholders are given the policy and procedure for whistleblowing at their induction, ensuring that if fraudulent activity is observed or suspected it can be easily and anonymously reported. This policy is also available on the Project webpage.