Counter-Fraud, Bribery, Corruption & Error Policy

Date established	May 2003
Updated	Sept 2026
Reviewed	Annually
Purpose	This policy aims to set out the position of MITSkills regarding potential fraud or corruption which may take place within its operations. This policy should be read in conjunction with the following policies: • Whistleblowing • Disciplinary • Risk Management

1. Introduction

MITSkills Ltd (the college) is committed to dealing rigorously with any instances of fraud, bribery or corruption which take place within its operations. The college will ensure robust procedures are in place to reduce the risk of fraud or corruption taking place within any of its operations.

2. Definition of fraud, bribery/corruption and theft

The college understands fraud and corruption to mean:

- Fraud: Intentional distortion of financial or other statements or records which are carried out to conceal the misappropriation of assets or otherwise for gain.
- Bribery / Corruption: The offering, giving, soliciting or acceptance of inducements, rewards or bribes which might influence the actions taken by the college. (Note: where this document says corruption, it is also taken to mean any form of bribery (see Bribery Act 2010)).
- Theft: Acting dishonestly to take or appropriate property, money or other assets belonging to or which are the responsibility of the college with the intention of permanently or temporarily depriving the college of the use of it.

The college differentiates between acts which are intentional and dishonest and those acts which are innocent but inappropriate and could also lead to the college suffering loss. The college also recognises that there are intentional actions which would not necessarily be categorised as criminal, but which would be considered grossly unprofessional, e.g. the incurring of higher than necessary expenditure on behalf of the college for travel, hospitality, accommodation, gifts etc.

The college understands that fraudulent or corrupt activity could potentially involve college employees at any level, college governors, agents or contractors with the college.

The college needs to remain vigilant to any unlawful activities which are external to the college but involve potential serious loss to the college, e.g. Deception to obtain money, credit, goods, services, or confidential information, commercial advantage, etc.

3. Main Risk Areas

Small Business.co.uk identify five main types of business fraud: https://smallbusiness.co.uk/fraud-business-know-2541559/ (Checked Sept 2026)

Examples of small business fraud and actions taken to minimise the risk of fraud include:

- External attacks.
  Identify any areas that might be vulnerable to hijacking, such as a large transfer of money to a supplier. MITSkills ensure the process for completing the payment is secure, for example by verifying account details from two separate sources.

- Payroll fraud.
  Look out for warning signs such as an ex-employee kept on the payroll (with pay diverted to the fraudster), employees manipulating timesheets to increase their hours or an employee who requests an advance which is never paid back.
  MITSkills ensure that when employees leave the organisation, they are removed from all systems. All expenses must be approved by a manager and counter-signed and verified by finance.

- Accounting fraud.
  An employee might manipulate the company's accounts to cover up a theft or use the company's accounts to steal. For example, expense account fraud, e.g. forged receipts or double claiming for expenses.
  All expenses must be approved by a manager and counter-signed and verified by finance. All payments to employees or suppliers require approval by a minimum of two people.

- Supplier fraud.
  This can be committed by suppliers on their own or in collusion with an "insider" employee. Examples include an employee who accepts a payment in exchange for giving an advantage to a particular supplier, or where a supplier inflates invoices to charge the company for more goods than it provides or a higher price than was agreed.
  All payments to employees or suppliers require approval by a minimum of two people.

- Low-level theft or fraud.
  This could include anything from theft of petty cash to misuse of company services, for example, using company services or resources, such as a company car, for personal use.

4. Indicators for Potential Fraud

There are a number of generic indicators and/or risk factors associated with fraud, aimed at education providers. Full guidance can be found at Indicators for potential fraud: a generic checklist for education providers - GOV.UK (www.gov.uk)

These can be categorised into the following main areas:

Category	Example Risk Factors	Potential Indicators
Personal Motives	Disgruntled Employee Personal problems (e.g. gambling, alcohol, drugs or debt) Conflicts of interest	Expensive lifestyle (such as cars or trips)
Organisational Motives	Organisation experiencing financial difficulty. Organisation under pressure to show results (e.g. budgetary matters or exam results) Organisation due for a site visit by auditors, Ofsted or others	Sudden change in organisation practice or pattern of behaviour
Weaknesses in Internal Controls	General lack of transparency about how the organisation works, procedures and controls. Management fails to specify and/or require appropriate levels of	Specific problems and/or reportable conditions identified by prior audits or other means of oversight have not been corrected

	qualifications, experience, or competence for employees. Lack of an appropriate organisational and governance structure with defined lines of authority and reporting responsibilities. Management of information systems is inadequate. Purchasing systems and/or procedures inadequate.	
Transactional Indicators	Transactions and/or accounts which are difficult to audit and/or subject to management judgement and estimates.	Previous audits with findings of questioned costs, evidence of non-compliance with applicable laws and/or regulations Weak internal controls
Methods used to commit and/or conceal fraud	General lack of transparency about how the organisation works, procedures and controls.	Employee indicators e.g. eagerness to work unusual hours, access to/use of computers at unusual hours, reluctance to take leave/seek support. Auditor/employee issues e.g. refusal or reluctance to provide information/turn over documents, unreasonable explanations
Record keeping/banking/other.	Deviation from standard procedures Defining delivery needs in ways that can only be met by one source/individual.	Excessive and/or poorly evidenced journal entries

Due to the nature of fraud, indicators/risk factors may not be exclusive to just one area.

5. Raising concerns about fraud or corruption

The financial regulations set out the process for staff members to report suspected fraudulent or corrupt practice either within the college or by anyone who has dealings with the college. In brief, staff should in the first instance report the concern to their line manager as soon as possible.

In the event the staff member does not feel it appropriate to raise the concern with their line manager, the matter should be raised with the Finance Director or Managing Director.

If the concern involves the Finance Director or the Managing Director, the staff member should contact the Chair of Governors.

All concerns raised by staff will be treated seriously and with appropriate discretion. All concerns will be investigated thoroughly.

Non staff

Members of the public, customers, suppliers, contractors and other organisations that the college deals with are also able to report concerns regarding fraud and corruption through either the college manager with whom they work or directly to the Finance Director, Managing Director or Chair of Governors.

6. Control and assessment framework

Risk Assessment

The Finance Director will maintain a financial risk assessment including an assessment of potential fraud and error risks in line with the company risk management policy. This will be:

- assessment based on external or internal audit report concerns.

- assessment based on the common types of small business fraud as listed in five risk areas identified in section 3.

This will be reviewed by the SMT, Directors and Board as part of the Company Risk Assessment review cycle. (See Company Risk Management Policy).

External Audit
The Joint Audit Code of Practice (Part 2, section 80, July 2013) makes clear that it is not the duty of external audit to search specifically for irregularity or fraud and that it should not be relied upon to disclose them. However, audit does have a duty to plan and conduct an audit so that there is a reasonable expectation that irregularity would be detected.

The DfE and other funding bodies remain responsible for their own (external) audit of MITSkills; the Finance Director and Compliance Team will comply with audits. The Finance Director and Compliance Team are responsible for keeping up to date with DfE Audit requirements and standards.

The Finance Director and Managing Director will agree the External audits required to produce accounts and reports required by regulatory or funding bodies and agree the plan for audit with external auditors.

Serious irregularity
Any serious irregularity identified by external audit should be reported to the Managing Director, Chair of Governors and the Finance Director as soon as possible.

Internal Audit
If internal audit suspects or discovers irregularity or fraud, they should immediately inform the senior manager responsible for internal audit (Finance Director) or the Operations Director.

The Finance Director is responsible for internal financial audit for fraud and error, including managing an audit plan and risk rating as part of the financial risk assessment and register. This includes checking loan applications, payment details or changes to payment details, invoices received matched to orders, expenses, petty cash, and small purchases.

Funding claims will be audited to an agreed plan of checks based on structured documentation of individual eligibility and evidence requirements of the appropriate funding body, required evidence of learning and progression and staff training on eligibility. This will be agreed by the Directors, Centre Manager and Compliance Manager

Notifying Funding Bodies
Where external or internal audit identifies serious irregularities or fraud, these must be reported fully to the relevant authorities without delay, usually by a member of the college senior management team or, where this would be inappropriate because of the nature of the irregularities, by the Chair of Governors.

The DfE/DWP or other funding body must be notified as soon as possible of any instances of fraud or suspected fraud, theft and/or irregularity linked to DfE/DWP or other funding body for funded delivery by a member of the college senior management team.

7. Procedures for dealing with irregularity, fraud or corruption

Involving members of staff
Where staff are suspected of irregularity, fraud or corruption, the college's staff disciplinary procedure will be applied using the procedures relevant to gross misconduct. This includes all matters concerning investigations, panel hearings, appeals and timescales.

In all cases of irregularity, fraud or corruption, the investigating officer will take appropriate legal advice and/or advice from the police to ensure that the evidence gathered will meet the legal standards required for any subsequent proceedings.

Members of the senior management team plus any staff working on DfE/DWP or public funded contracts will be provided with training opportunities to assist them in the prevention and detection of fraud and corrupt practice. In particular, the Finance Director will be provided with training opportunities covering their specific responsibilities to assist them in investigating irregularities, suspected fraud and corruption.

Staff who are subject to investigation may be suspended from work if appropriate. In addition, care should be taken to ensure that the staff concerned do not have access to any college property, IT systems, databases, information or accounts which would enable evidence or assets relevant to the investigation to be disposed of.

Where suppliers, contractors, organisations and other individuals are involved
In instances where suppliers, contractors, organisations and individuals are involved, the Finance Director will conduct the investigation in close liaison with the appropriate member of the senior management team, usually the Operations Director.

Where there is a suspicion that the investigation may reveal criminal activity, the investigating team may determine to involve the police from the outset.

Any outcomes of the investigation including specific recommendations into irregularity, suspected fraud or corruption will be determined by the senior management team once the investigation report has been presented to them.

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