



# Oakswood College

Empowering Through Education



## Financial Fraud

### *Policy*

PROMOTING EXCELLENCE • ENSURING COMPLIANCE  
SUPPORTING OUR COMMUNITY



GOVERNANCE



QUALITY



COMPLIANCE



EXCELLENCE



**Oakwood College**  
Empowering Through Education  
(Trading name of Oakwood Group Ltd)

**Financial Fraud Policy**

**Document Control & Version History**

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<b>Related Appendices</b>	<b>Appendix A:</b> Oakwood College Fraud / Financial Irregularity Report Form <b>Appendix B:</b> Fraud Investigation and Outcome Record <b>Appendix C:</b> Oakwood College Fraud Reporting & Response Pathway <b>Appendix D:</b> Fraud Prevention Training Record <b>Appendix E:</b> Reporting and Accountability Matrix
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<b>Document Title</b>	<b>Financial Fraud Policy</b>
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## **1. Introduction**

The purpose of this Policy is to outline the College's approach, as well as define roles and responsibilities, for dealing with the threat of fraud and corruption, both internally and externally.

This policy applies to all individuals associated with the College, including Governors, Staff, Students, Contractors, Consultants, Suppliers, and any third parties or delivery partners involved in the delivery or administration of the College's activities.

- The College is committed to protecting the public funds with which it has been entrusted. Losses due to fraud and corruption must be minimised to ensure resources are used for their intended purpose of providing education.
- The public is entitled to expect the College to conduct its affairs with integrity, honesty and openness and demand the highest standards of conduct from both staff and students. This Financial Fraud Policy outlines its commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds.
- The Policy is based on best practice models within the education sector. The Policy is also based on a series of comprehensive and interrelated policies and procedures that provide a corporate framework to counter fraudulent activity. These have been formulated in line with appropriate legislative requirements, and include:
  - Codes of Conduct (including Anti-Bribery requirements);
  - Financial Regulations;
  - Sound internal control systems;
  - Policies on gifts and hospitality, claiming of expenses;
  - Effective internal audit
  - Effective recruitment and selection procedures;
  - Disciplinary procedure;
  - Whistleblowing (Public Interest Disclosure) Policy;
  - Register of Interests;
  - Training;
  - Procedures for the enrolment of students.

## **2. Culture**

- The College is committed to maintaining the highest standards of governance and has defined expected standards of conduct and behaviour, which both staff and students are expected to follow. These are based on the Nolan Principles of Public Life.
- which both staff and students are expected to follow. These are based on the Nolan Principles of Standards in Public Life.
- The staff and students at the College are an important element in our stance on fraud and corruption, and they are encouraged to raise any concern that they may have on these issues where they are associated with College business or activity.

### 3. Definitions of Fraud

- The Fraud Act 2006 defines fraud as a criminal offence involving deception with the intent to gain an advantage or cause loss to another person. It encompasses three main types of fraudulent activities:
  - **Fraud by false representation:** Deceiving someone by presenting false information;
  - **Fraud by failing to disclose information:** Not revealing important information that would affect a decision;
  - **Fraud by abuse of position:** Misusing a position of trust to gain an advantage.
- Fraud also includes cyber-enabled activities such as phishing, ransomware, malware attacks, invoice or mandate fraud, impersonation (including AI-generated or deepfake communications), and other cybercrimes intended to obtain money, data, or unauthorised access to systems.
- Fraud can occur in any area of the College and may take many forms. It is not limited to financial or financially motivated activity, but may also involve risks to the College's reputation, employment practices, and student-related matters. This Policy covers all the above.
- For practical purposes of the application of this policy, fraud may be defined as the use of deception with the intention of:
  - gaining an advantage, personally and for family or friends; or
  - avoiding an obligation; or
  - causing a financial loss to the College;
- The main types of irregularity are:
  - Theft–this may include the removal or misuse of funds, assets, or cash;
  - False accounting–dishonestly destroying, defacing, concealing, or falsifying any account, record or document required for any accounting purpose, with a view to personal gain or gain for another, or with the intent to cause loss to the College, or furnishing information, which is or may be misleading, false, or deceptive;
  - Parallel accounting - in the context of fraud, dishonestly creating secret, unofficial, or secondary records and the use of unofficial channels to process transactions, allowing perpetrators to bypass authorised controls and hide illicit activity, with the intent to embezzle funds, inflate profits, or launder money;
  - Misusing College resources, systems, or information for personal gain or in a manner that causes financial or reputational harm to the College; or
  - Avoiding confrontation of suspicious activities that may indicate irregular use, abuse or misuse of funds.

### 4. Intention of Policy

This policy sets out the College's approach to the prevention, detection, and reporting of fraud and defines the responsibilities of all individuals associated with the College in maintaining effective control over public funds. It applies to all individuals associated with the College, including Governors, staff, students, contractors, consultants, suppliers, and any third parties or delivery partners involved in the delivery or administration of the College's activities.

The detailed procedures for reporting, escalation, investigation, and resolution of suspected or actual fraud are set out in the appendices to this policy.

These appendices provide operational guidance, including reporting forms, investigation processes, escalation pathways, and training records, ensuring a consistent and effective response to fraud and financial irregularity across the College.

## **5. Purpose and Regulatory Context**

This Financial Fraud Policy details Oakwood College's arrangements to detect, prevent, and stop any conduct that could constitute:

- A relevant fraud offence, or
- The inappropriate use of public funds,

as required under OfS Initial Registration Condition E8.

Condition E8 requires providers to establish "comprehensive arrangements... adequate and effective for detecting, preventing and stopping any form of conduct that could potentially amount to a relevant fraud offence or the inappropriate use of relevant public funds."

This policy applies whether Oakwood College is:

- delivering Higher Education itself;
- delivering through subcontracted or franchised partners, or
- overseeing external delivery on its behalf (e.g., validation arrangements).

This policy forms part of Oakwood College's evidence base for OfS initial registration and demonstrates compliance with E8.2–E8.4.

The Board of Governors retains ultimate responsibility for ensuring that effective systems of internal control and risk management are in place. It receives regular assurance from the Audit and Risk Committee on the effectiveness of these arrangements, including oversight of fraud risks, financial controls, data accuracy, and the use of public funds. The Board is satisfied that these arrangements are operating effectively to manage risks relating to fraud, financial irregularity, and regulatory compliance in line with OfS requirements.

The Chief Executive Officer acts as the Accountable Officer and is responsible for ensuring compliance with regulatory requirements relating to the use of public funds.

These arrangements support the effective delivery of the College's strategic and business plan objectives by ensuring that financial risks, fraud risks, and governance risks are appropriately managed and monitored.

## **6. Scope**

This policy operates within the College's wider governance framework, including the Scheme of Delegation, Board of Governors Terms of Reference, and Audit and Risk Committee Terms of Reference.

These arrangements ensure clear accountability for financial oversight, fraud prevention, and compliance with regulatory requirements, including those set out by the OfS.

This policy applies to part of Oakswood College's internal control and corporate governance arrangements. It further applies to all below:

- All Oakswood College employees;
- Governors and senior managers;
- Contractors and agency staff;
- Students (in relation to fraudulent access to public funds);
- Any individual or entity handling Oakswood College financial or public-fund-related processes.
- All higher education delivered by or on behalf of Oakswood College, including franchised, subcontracted, validated, or partnership delivery arrangements.

It covers all public funding, including SLC fees/loans, OfS grants (if applicable), UK public research funds, bursary schemes, and hardship funds.

## **7. Definitions (Per Condition E8)**

### **7.1 Relevant Fraud Offence**

As defined in Condition E8, this includes any conduct relating to fraud, including offences under the Fraud Act 2006, and offences connected to "failure to prevent fraud" under Section 199 of the Economic Crime and Corporate Transparency Act 2023.

### **7.2 Inappropriate Use of Public Funds**

Any improper or unauthorised use of public money, including:

- Incorrect SLC funding claims;
- Misstatement of student attendance or enrolment;
- Misuse of grants;
- Inflated or fraudulent invoices;
- Payments for non-existent services;

- Misapplication of funds contrary to funding rules;
- The invoice address (work/office) differs from a delivery address - this practice can trigger security checks or accounting complications.

### **7.3 Public Funds Oversight Context**

Condition E8 covers all public HE funds “provided in any manner or form by, or on behalf of, a provider,” including franchise/subcontract models.

## **8. Oakwood College Fraud-Prevention Principles**

1. Zero-tolerance toward fraud or misuse of public funds;
2. Full alignment with OfS Condition E8 requirements;
3. Robust controls and risk management;
4. Transparency and accountability in all financial activities;
5. Prompt investigation and reporting of any concerns;
6. Continuous improvement through audits and staff training;
7. Appropriate organisational structures;
8. Physical security of assets/stocks;
9. Segregation of duties;
10. Clearly defined written responsibilities;
11. Clearly defined lines of reporting;
12. Regulations and associated procedures guidelines;
13. Adherence to Financial Regulations and other procedural documents.
14. Protect student interests and support the continuity and quality of higher education provision.

## **9. Required Arrangements Under OfS E8 (Compliance Statement)**

Condition E8 requires specific arrangements to be in place. Oakwood College confirms compliance with all mandatory arrangements:

### **9.1 Conflicts of Interest Policy**

Oakwood College maintains a formal Conflicts of Interest Policy covering:

- Annual disclosures for governors and senior staff;
- Event-triggered declarations;
- A public or internal register of interests;
- Decision-making safeguards to prevent financial impropriety.

### **9.2 Internal Control Processes**

Oakwood College maintains comprehensive arrangements designed to detect, prevent, and stop fraud and the inappropriate use of public funds:

### **9.3 Financial Controls**

- Segregation of financial duties (ensuring more than one person is required to complete a task);
- Delegated financial authority limits;
- Two-person sign-off for payments;
- Monthly reconciliation and oversight;
- Procurement controls to prevent kickbacks or collusion;
- Strict budget vs actual monitoring;
- Monitor cash float/petty cash reconciliation.

### **9.4 Data Accuracy Controls**

E8 requires controls to ensure “accuracy of any data submitted to other organisations for purposes related to receiving public funds.”

Oakwood College therefore ensures:

- Verified enrolment and attendance data;
- Dual approval for SLC data returns.
- Validation of performance and completion data;
- Secure systems for funding-related data.

These arrangements operate in accordance with the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018, ensuring that data is handled lawfully, accurately, and securely, and that regulatory submissions are based on verified and reliable information.

### **9.5 Fraud and Public Funds Risk Register**

Oakwood College maintains a dedicated Risk Register tracking key risks, including:

- Fraud risks;
- Misuse of public funds;
- Data-integrity risks;
- Governance and oversight vulnerabilities;
- Student-related funding risks.

### **9.6 Whistleblowing Policy**

Oakwood College maintains a confidential Whistleblowing Policy that enables staff, students, contractors, and other stakeholders to report concerns relating to:

- Financial fraud;
- Misuse of public funds;
- SLC-related fraud or data irregularities;
- Poor governance or conflicts of interest;

- Misconduct or unethical behaviour;
- Regulatory breaches.

Reports may be made anonymously and will be handled in a confidential and sensitive manner.

The College ensures that individuals who raise concerns in good faith are protected from detriment in line with the Public Interest Disclosure Act (PIDA) 1998.

### **9.7 Anti-Bribery Policy**

Oakwood College complies with the Bribery Act 2010, and maintains arrangements to prevent, identify, and address bribery, including:

- Bribery of recruitment or admissions staff;
- Bribes related to public-fund claims.

### **9.8 Staff Training on Fraud**

The recruitment of suitable staff is Oakwood College's first defence in preventing fraud. Oakwood College provides mandatory annual fraud-awareness, detection, prevention, and stopping of fraud and compulsory training covering:

- Public-fund rules;
- SLC compliance;
- Detecting document fraud;
- Financial controls;
- Reporting obligations.

Training meets E8's requirement for "training for staff relating to awareness, detection, prevention and stopping of fraud."

### **9.9 Deployment of Responsible Staff and Oversight Structures**

- Oakwood College has appointed a Head of Accounting and Finance to ensure that internal controls are effectively applied and risks are actively managed.

Structures for oversight include:

- Audit and Risk Committee;
- Finance and Resources Committee;
- Senior Leadership Team;
- Internal & external auditors.

- The College ensures that individuals with responsibility for financial management, fraud prevention, and data governance are suitably qualified, experienced, and supported to fulfil their roles effectively.
- Individuals with responsibility for financial oversight, governance, and regulatory compliance are subject to Oakwood College's Fit and Proper Persons arrangements and ongoing suitability assessment processes.
- The Board of Governors receives appropriate governance, financial, and regulatory training to support effective oversight of fraud prevention, financial sustainability, risk management, and compliance with regulatory obligations.
- Key individuals identified within this policy, including members of the Audit and Risk Committee and those responsible for financial oversight and regulatory compliance, receive appropriate training and maintain up-to-date knowledge of applicable legal and regulatory requirements, including those of the OfS.
- The Board of Governors is satisfied that those responsible for implementing this policy have the necessary skills, experience, and capacity to ensure effective oversight, governance, and compliance
- These arrangements are supported by appropriate recruitment, due diligence, and ongoing performance review processes to ensure that individuals remain suitable and effective in their roles.

### **9.10 Additional Measures**

Oakwood College also maintains internal controls and external audit functions and integration with broader governance systems, which are overseen by the College's Head of Accounting and Finance and, as appropriate, the external auditor. These include:

- System access controls;
- Documented financial procedures;
- Procurement audit trails;
- Regular financial forecasting;
- Annual external audits of funding compliance;
- Subcontracting oversight framework (if applicable).

## **10. Detection and Reporting Mechanisms**

Oakwood College maintains clear mechanisms for identifying, reporting, and escalating suspected fraud or irregularity.

The main responsibility for the detection of fraud lies with the Senior Leadership Team through the implementation, documentation and operation of effective systems of internal control. All staff have a responsibility to be aware of potential fraud and to take necessary steps to minimise risk to Oakwood College.

### **10.1 Fraud Indicators**

Oakwood College trains staff to recognise potential indicators of fraud (See on Staff Learning and Development Policy – 031):

- Irregular financial transactions;
- Duplicated or fabricated invoices;
- Misreported enrolment or attendance.

### **10.2 Internal Reporting**

Reports can be submitted to:

- Head of Accounting and Finance;
- Principal;
- Audit and Risk Committee.

### **10.3 External Reporting**

Oakwood College will report confirmed or material fraud to:

- OfS (reportable event);
- SLC;
- Police or National Crime Agency;
- DfE (if grant-funded).

## **11. Investigation Procedures**

Where a breach of policy is notified to the College authority, Oakwood College will investigate the circumstances. All cases will be vigorously and promptly investigated, and appropriate action will be taken. Oakwood College will ensure that investigations:

1. Be initiated promptly;
2. Be led by the Head of Accounting and Finance;
3. Involve internal or external auditors;
4. Maintain confidentiality;
5. Assess impact on public-fund claims;
6. Assess the impact on academic quality and standards.
7. Recommend corrective actions.

## **12. Consequences of Fraud**

Depending on severity, Oakwood College may:

- Dismiss staff;
- Suspend or expel students;
- Terminate subcontractor agreements;
- Recover incorrectly claimed funds;
- Report to law enforcement.

- Revise internal controls;
- Notify Insurance (where appropriate).

### **13. Track-Record Requirement**

Oakwood College confirms, for the purposes of OfS registration, that:

- It has no convictions under Section 199 of the Economic Crime and Corporate Transparency Act 2023;
- No regulatory body has revoked or required repayment of relevant public funds on fraud grounds.
- No connected corporate entity meets the criteria for being deemed unsatisfactory under E8.4(a)(i)–(iii).

### **14. Appendices**

**Appendix A:** Oakwood College Fraud / Financial Irregularity Report Form

**Appendix B:** Fraud Investigation and Outcome Record

**Appendix C:** Oakwood College Fraud Reporting & Response Pathway

**Appendix D:** Fraud Prevention Training Record

**Appendix E:** Reporting and Accountability Matrix