



GREEN VALLEY ACADEMY

Fraud and Audit Assurance Policy

Approved: October 2026

DOCUMENT CONTROL

Reference	GVA-16
Policy owner	Principal; oversight by the Audit and Risk Committee
Approved by	Academic Board — 5 October 2026
Effective from	5 October 2026
Next review	August 2027, and after any fraud event
Applies to	All staff, directors, committee members, contractors and agents, and all resources of the Academy — funds, assets, data and time
Linked documents	Whistleblowing Policy; Anti-Bribery and Corruption Policy; Financial Conduct and AML Policy (Financial Conduct and Anti-Money Laundering Policy); Conflicts of Interest Policy; Risk Management Policy; Compliance Policy

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1. PURPOSE AND SCOPE

- 1.1** Green Valley Academy is committed to the prevention, detection and rigorous pursuit of fraud, theft, bribery, false accounting and every other form of financial irregularity, and to the protection of the integrity of any public funds connected with its provision. This policy establishes the framework through which that commitment is delivered: the principles that govern the Academy's stance; the preventive controls that make fraud difficult to commit; the audit and assurance arrangements that make it difficult to conceal; and the mandatory response plan that operates from the moment fraud is suspected. It applies to every person acting for or with the Academy — staff, directors, committee members, volunteers, contractors and agents — and to every resource the Academy holds, including money, physical assets, data and staff time; and it operates alongside, and is to be read with, the Whistleblowing Policy, which protects every person who raises a concern in good faith.

2. DEFINITIONS

- 2.1** Fraud bears the meaning given by the Fraud Act 2006: dishonestly making a false representation, dishonestly failing to disclose information where there is a legal duty to disclose it, or dishonestly abusing a position in which one is expected to safeguard another's financial interests, in each case intending to make a gain or to cause loss or the risk of loss. In the Academy's context it includes, without limitation: false claims for expenses, hours or payroll; the falsification of enrolment, attendance or withdrawal records, whose accuracy underpins funding and partner returns; the misappropriation of money, equipment or data; procurement fraud, including collusion with suppliers and undisclosed interests in them; and the misuse of the Academy's name or systems for private gain. Financial irregularity means any deliberate breach of the Academy's financial controls, whether or not personal gain results and whether or not loss ultimately occurs; and public funds means any funding derived from public sources in connection with the Academy's provision, including student finance accessed through the awarding university's registration, whose protection this policy treats as a first-order obligation.

3. PRINCIPLES

- 3.1** Five principles govern this policy. First, zero tolerance: every suspicion is assessed, every warranted case is investigated, and proven fraud results in disciplinary action up to dismissal, recovery of losses by every available means, and referral to the police or Action Fraud; the Academy does not quietly absorb losses or allow resignation to substitute for accountability. Secondly, prevention before detection: the Academy's controls are designed so that no single person can initiate, approve and record the same transaction, and so that the opportunity for fraud is structurally limited. Thirdly, proportionate assurance: as a small institution the Academy does not maintain a standing internal audit function, and it says so plainly; in its place it operates the risk-based assurance program at Section 5, commissioning external or group internal-audit reviews where risk or incident justifies them, and it regards the honesty of this arrangement as itself a control. Fourthly, protected reporting: every person who reports a suspicion in good faith is protected by the Whistleblowing Policy against every form of

detriment, and an anonymous route is always available. Fifthly, candour with partners: the University of Wolverhampton, funders and insurers are notified promptly of any fraud affecting them, and the Academy's instinct in every fraud matter is disclosure, not containment.

4. PREVENTION AND DETECTION CONTROLS

4.1 The preventive controls maintained under this policy, the operation of which is tested under Section 5, comprise: segregation of duties across the initiation, approval and recording of payments, payroll and procurement, administered with the Group Finance Lead, with an authorisation-limits schedule approved by the Board of Directors and reviewed annually; dual authorisation of all bank payments and of every change to supplier or payee details, with call-back verification of changed bank details; independent monthly bank reconciliations, reviewed by a person who does not process payments; procurement thresholds requiring competitive quotes or tenders, with declarations of interest under the Conflicts of Interest Policy preceding every award; monthly reconciliation of enrolment, attendance and withdrawal records, because student data is the foundation of funding integrity; payroll verification against contracts and right-to-work records, with starter and leaver controls; IT access controls and logging under the IT, Data Protection and Data Security Policy; the admissions verification and fraud-referral controls of the Admissions Policy; and an annual fraud-risk assessment, feeding the institutional risk register under the Risk Management Policy

4.2 The authorisation-limits schedule, specifying expenditure and payment thresholds, authorised signatories and the combinations of approval required at each level, shall be approved by the Audit and Risk Committee and appended to the Finance Procedures. Unless otherwise specified in the approved authorisation-limits schedule, the following financial authority shall apply:

- expenditure and contractual commitments up to £10,000 – Principal;
- expenditure and contractual commitments from £10,001 to £50,000 – Principal with Finance Committee approval;
- expenditure and contractual commitments above £50,000 – Board of Directors approval;
- budget virements up to £10,000 per budget line – Finance Committee approval;
- debt write-offs and any ex-gratia payments – Board of Directors approval only; and
- all related-party transactions – approval by the non-conflicted members of the Board of Directors, regardless of value.

5. AUDIT AND ASSURANCE OVERSIGHT

5.1 The Audit and Risk Committee, chaired by an independent non-executive director, It shall review and approve the annual fraud-risk assessment and satisfy itself that the controls set out in Section 4 adequately address the risks identified. It shall commission an annual controls-testing exercise, undertaken by a person independent of the transactions concerned, to test the operation of key controls on a sample basis and report the results, exceptions and recommendations directly to the Committee.

The Committee shall receive the external auditor's annual report and management letter, monitor all recommendations to closure through its action log, and meet privately with the external auditor, without executive management present, at least once each year. It may commission additional reviews from Group internal audit or external specialists where risk, growth, control weaknesses or incidents justify further assurance.

The Committee shall report annually to the Board of Directors on fraud risk, internal controls and assurance, with that report informing the Board's annual review of internal control.

A separate Financial Delegation and Authorisation Schedule shall be maintained as part of the Finance Procedures. The Schedule shall specify expenditure and payment limits, authorised signatories, required combinations of approval, and escalation requirements for transactions at each financial threshold. The Schedule shall be reviewed by the Audit and Risk Committee and approved in accordance with the Academy's Scheme of Delegation.

6. RESPONSE TO SUSPECTED FRAUD

- 6.1** The response process at Figure 1 is mandatory in every case, and its first rule admits no exception: the person who suspects fraud reports it and does not investigate it. A member of staff who suspects fraud, bribery or financial irregularity shall not confront or alert the person suspected, shall not discuss the matter with colleagues, and shall not examine records beyond their normal duties; they shall preserve and secure any evidence lawfully in their possession, and shall report at once to the Principal — or, where the concern involves the Principal or senior management, to the Chair of the Audit and Risk Committee — with the protections and the anonymous route of the Whistleblowing Policy available in every case.

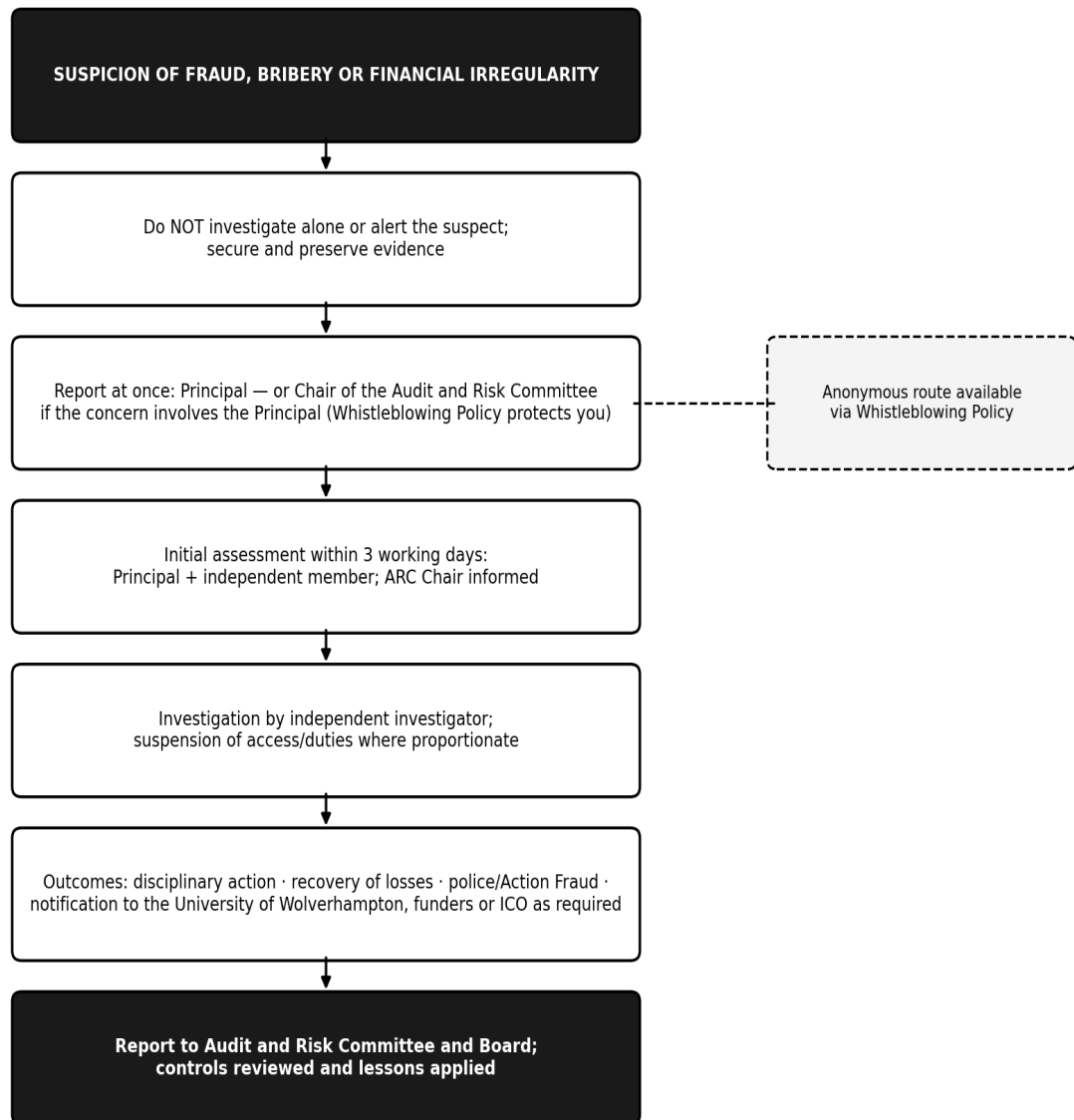


Figure 1: Fraud response process

6.2 Upon receipt of a report, an initial assessment shall be completed within three working days by the Principal or, where the Principal has a conflict of interest or is implicated in the matter, by the Chair of the Audit and Risk Committee, together with one person independent of the area concerned. The Chair of the Audit and Risk Committee shall be informed of every report, regardless of the outcome of the initial assessment.

Where an investigation is warranted, it shall be conducted by an investigator who is independent of the area concerned and shall be externally commissioned where the seriousness, complexity or relationships involved require additional independence. Suspension of duties or restriction of access to systems, records or premises may be applied as a protective measure and shall not constitute a presumption of wrongdoing.

Investigations shall be conducted in accordance with the Academy's Fraud Investigation Procedure, including requirements for evidence preservation, secure storage, restricted

access to case files, documentation of the chain of custody where relevant, confidentiality, record retention and appropriate handling of personal data. Where criminal proceedings may reasonably arise, evidence shall be preserved in a manner capable of supporting referral to the police or other competent authority.

Investigation outcomes may include disciplinary action up to and including dismissal; civil recovery of losses; referral to the police or Action Fraud; notification to the University of Wolverhampton, funders, insurers and, where applicable, the Information Commissioner's Office; and, in every case, a documented review of any controls that failed, were circumvented or were absent.

Every report and its outcome, including cases where allegations are not substantiated, shall be recorded in the fraud log maintained by the Principal or designated officer and reported to the Audit and Risk Committee. Lessons arising from each case shall be considered as part of the review of the controls in Section 4.

Fraud Investigation Procedure

The Academy shall maintain a documented Fraud Investigation Procedure setting out the arrangements for the receipt, assessment, investigation and closure of suspected fraud cases. The procedure shall include, as a minimum:

- secure storage of investigation records and evidence;
- access to case files restricted to authorised persons on a need-to-know basis;
- maintenance of an appropriate evidence and decision trail;
- recording of the collection, transfer and custody of physical or electronic evidence where required;
- preservation of electronic records, emails, documents and system logs;
- arrangements for confidentiality and data protection;
- management of conflicts of interest;
- criteria for appointing an external investigator;
- procedures for interviews and witness records;
- escalation and external-reporting requirements;
- retention and secure disposal of investigation records; and
- documentation of investigation outcomes, management actions and lessons learned.

7. ROLES AND REVIEW

- 7.1** The Board of Directors sets the anti-fraud culture, approves this policy and receives the annual assurance report; the Audit and Risk Committee oversees fraud risk, controls testing, external audit and investigation outcomes; the Principal is the accountable officer for prevention and response and maintains the fraud log; the Group Finance Lead operates the financial controls and leads the anti-money-laundering interface under the Financial Conduct and Anti-Money Laundering Policy; and every member of staff is bound to operate the controls without exception or override, and to report suspicion promptly, it being expressly provided that the overriding of a control at any level of seniority is itself a reportable irregularity. This policy shall be reviewed annually by the

Audit and Risk Committee and after every fraud event, and amendments shall be approved by the Board of Directors.