

Anti - Corruption Policy

January 2017

Compliance with the University Anti-Corruption Policy is compulsory. The Anti-Corruption Policy applies to:

- members of the University Board of Governors and other Committees
- staff directly or deemed employed by the University and/or subsidiary or associated companies - (includes associate lecturers);
- staff directly or indirectly employed by overseas offices and branches;
- agency staff and casual workers undertaking working for the University;
- any other third parties who work on delivering University services and are paid through a contract for services;
- all enrolled or registered students.

Members of staff must ensure that they understand the requirements and attend the appropriate training and development sessions offered by the Finance Directorate.

Further guidance and support is available from your named contacts within the [Finance Directorate](#).

| | |
|---------------------|------------------------------------|
| Owner: | Chief Finance and Planning Officer |
| Version number: | 2.0 |
| Last revised date: | January 2017 |
| Next revision date: | January 2018 |

Contents Page

| | |
|---|--------|
| 1. Introduction | Page 2 |
| 2. Leadership | Page 2 |
| 3. Denial of opportunity | Page 2 |
| 4. The role of auditors | Page 3 |
| 5. Sector intelligence | Page 3 |
| 6. Employment checks | Page 3 |
| 7. Detection | Page 3 |
| 8. Staff responsibilities | Page 4 |
| 9. Whistleblowing / Public Interest Disclosure | Page 4 |
| 10. Role of audit in detection | Page 4 |
| 11. Warning signs | Page 4 |
| 12. Media relations | Page 5 |
| 13. Investigation and reporting | Page 5 |
| 14. Role of the HEFCE Assurance and Institutional Risk Services | Page 5 |
| 15. Disciplinary action | Page 5 |
| 16. Summary | Page 6 |

1 Introduction

The University requires its members, managers, staff and students to act honestly, with integrity and to safeguard any University resources for which they are responsible at all times. The purpose of this policy is to set out the responsibilities of members, managers, staff and students regarding the prevention of fraud and other forms of corruption both in the UK and overseas, and the procedures to be followed where corruption is detected or suspected.

The Anti-Corruption Policy applies to any impropriety, fraud, theft, loss of assets or other irregularity. Any suspected acts of impropriety, fraud, theft, loss of assets or other irregularity will be investigated under the University's Fraud and Corruption Response Plan.

The University has a specific policy with respect to Anti-Bribery (in response to The Bribery Act 2010) and an Anti-Money Laundering Policy (to meet the provisions of the Money Laundering Regulations 2007 and the Proceeds of Crime Act 2002).

2 Leadership

2.1 System of internal control

Members of the University management team are responsible for the prevention, detection and investigation of irregularities. To discharge this responsibility, management must ensure that an adequate system of internal control is operated. The work of internal audit in reviewing the adequacy and effectiveness of the internal control system will help management to prevent and detect fraud and corruption.

2.2 Standards of openness, integrity and accountability

The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life.

All members of staff are expected to observe the seven principles in carrying out their duties. These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

In addition, the University expects that staff at all levels will observe its [Code of Behaviour](#) and guidance on [Conflicts of Interest](#).

2.3 Prosecution

Prosecution is a particularly effective deterrent because of the risk of a custodial sentence and a criminal record. However, the threat of prosecution only deters if the threat is real. Therefore each and every case of fraud or corruption will normally be referred to the Police.

3 Denial of opportunity

3.1 Risk based approach

The University takes a risk based approach to managing the risk of fraud and corruption. Periodically a risk assessment is undertaken with relevant staff to identify the areas of University activity that are at a greater intrinsic risk of fraud or corruption. This risk assessment informs the design of the internal control framework and allows for mitigating actions to be developed and deployed.

The periodic risk assessment also supports the identification of areas of responsibility where there may be a need to focus training and development on fraud and corruption mitigation.

3.2 Management procedures and training

Fraud can be minimised through carefully designed and consistently operated management procedures which deny opportunities for fraud and corruption. Training in fraud and corruption awareness for appropriate members of staff can be arranged by the Finance Directorate, with support from both internal and external audit.

3.3 Segregation of duties

There must, whenever possible, be segregation of duties to guard against fraud and corruption in financial systems, so that no individual has undue management of payments, income or assets. The risk of regular misappropriations over a period of years can be reduced by regularly rotating members of staff who have access to financial systems.

A periodic review will be undertaken of members of staff access rights to the key financial systems to ensure that they are appropriate to their responsibilities.

3.4 Protection of information technology and systems

Potential misuse of information technology must be prevented by managing the physical access and protecting systems with electronic access restrictions.

- Staff Policy on the use of E-mail and Other IT Facilities:
<https://portal.shu.ac.uk/departments/HRD/polproc/Pages/netiquette.aspx>
- Regulations for the Use of IT Facilities
<https://portal.shu.ac.uk/departments/HRD/polproc/Pages/guideit.aspx>
- Student Regulations and Codes
<https://students.shu.ac.uk/regulations/index.html>
- Data encryption guidance
https://portal.shu.ac.uk/departments/IS/ithelp/helpme/Pages/encryption_guidance.aspx

4 The role of auditors

When new systems are being designed or existing systems are to be modified, internal auditors can advise management on building in ways of preventing or detecting fraud or corruption.

The ongoing and periodic review of systems by internal audit may deter attempted fraud or corruption and should result in continuous improvements. The risk of fraud or corruption should be a factor in audit plans.

External audit can give advice about systems and their reviews of financial checks and balances and validation testing may provide further deterrence.

5 Sector intelligence

The University will consider carefully any university sector intelligence that may indicate that there is a greater risk of organised attempts of fraud or corruption, or that new or novel methods of fraud or corruption have been experienced at other universities. Such sources may include:

- HEFCE <http://www.hefce.ac.uk/>
- British Universities Finance Directors Group <http://www.bufdg.ac.uk/>
- Alerts received from internal and external auditors.

6 Employment checks

Potential new members of staff are checked before appointment in accordance with the Recruitment and Selection Procedures prepared by the Human Resources Directorate.

- Recruitment and Selection Procedure:
<https://portal.shu.ac.uk/departments/HRD/recruitment/Pages/home.aspx>

Enhanced screening checks may be required for employees in certain areas of the University as a result of a greater potential level of risk. This will be determined by the recruiting manager prior to the recruitment campaign and approved by the Human Resources Directorate.

7 Detection

No system of preventative measures can guarantee that fraud or corruption will not occur. The University can, however, implement detection measures to highlight irregular transactions and behaviour.

Large and or unusual transactions are reviewed on a periodic basis by senior members of the Finance Directorate. In addition, the Faculty and Directorate management accounts are subject to review, analysis and follow up investigation, if required, by the Finance Directorate. Individual transactions are periodically reviewed as part of this process of validation.

The detective elements in each system are therefore complemented by a general approach, geared to capturing suspicions identified through chance, exit interviews and tip-offs.

8 Staff responsibilities

Every member of staff has a duty to ensure that University resources are safeguarded. Staff must alert their line manager if they believe an opportunity for fraud or corruption exists because of poor procedures or lack of effective supervision.

It is the responsibility of every member of staff to report details immediately to their line manager or appropriate senior person if they suspect fraud or corruption may have been committed.

Members of staff must also assist in any investigations by making available all relevant information and by co-operating in interviews.

9 Whistleblowing/Public Interest Disclosure

The Public Interest Disclosure Act 1998 states that employees who disclose information on certain matters which they reasonably believe and in good faith will be legally protected from being disciplined, dismissed or victimised by their employer as a result.

The University policy on 'Whistleblowing'/Public Interest Disclosure covers the areas highlighted in the 1998 Act, but it also includes disclosure of financial and non-financial malpractice within the institution.

- Policy on 'Whistleblowing'/Public Interest Disclosure:
<https://portal.shu.ac.uk/departments/HRD/polproc/Pages/home.aspx#w>

10 Role of audit in detection

The University's defences against fraud or corruption must be robust preventative measures by management, coupled with sound detective checks and balances. Audit should be regarded as a 'long stop'. Internal and external audit may be involved in identifying fraudulent transactions.

11 Warning signs

Managers should be aware that certain patterns of behaviour among staff may indicate a desire for concealment (such as taking few holidays, regularly working alone late or at weekends, resistance to delegation, and resentment of questions about work).

Human Resources staff can provide advice to managers on how to address any concerns relating to the misuse of alcohol, drugs and other substances. The list of warning signs is not exhaustive and may in fact not be enough on their own to instigate an investigation. Therefore it is important that the manager takes advice from the Human Resources Directorate. Any indication of dependency on drugs, alcohol or gambling should be addressed as early as possible, both for the welfare of the individual and to minimise the risks to the institution, which might include fraud or corruption.

- Policy on Misuse of Alcohol, Drugs and Other Substances
<https://portal.shu.ac.uk/departments/HRD/polproc/alcsu/sub/Pages/home.aspx>
- University Monitoring Policy
<https://portal.shu.ac.uk/departments/srd/Services/GPS/Sec/IG/Pages/Data-Protection.aspx>

12 Media relations

In order to minimise the possibility of adverse media coverage of suspected or alleged fraud or corruption the Director of Corporate Communications must be informed of events as soon as the issue arises. Any media enquiries should be directed to the Corporate Communications team.

The Fraud Response Group (FRG) will consider making public the detection and resolution of any acts of fraud or corruption identified within the University.

13 Investigation and reporting

Fraud, corruption or irregularity occurs unpredictably, in any part and at any level in an organisation. It frequently causes disruption which is out of proportion to the sums involved. Once fraud or corruption is suspected, prompt action is needed to safeguard assets, recover losses and secure evidence for effective legal and disciplinary processes.

Suspected fraud or corruption should be reported to the Chief Finance and Planning Officer (CFPO) (or in the absence of the CFPO, the Director of Human Resources or the Secretary and Registrar), as soon as possible, who will instigate action and investigation under the [Fraud and Corruption Response Plan](#), including, where applicable, convening the Fraud Response Group.

The designated officer (the Vice-Chancellor, or nominee) must inform the Chairs of the Audit Committee and the Board of Governors and the HEFCE Accounting Officer of any serious weakness, significant impropriety, fraud, theft, loss of charity assets or other irregularity¹. The Vice-Chancellor will also notify the University's external auditors.

14 Role of the HEFCE Assurance and Institutional Risk Service

The [HEFCE Assurance and Institutional Risk Service](#) is able to provide advice to institutions on dealing with fraud and irregularity, particularly when notified at an early stage. Information obtained, suitably anonymised, may be disseminated throughout the sector thereby enabling institutions to protect their interests.

15 Disciplinary action

After proper investigation, the University will take legal and/or disciplinary action in accordance with the University's disciplinary procedures where it is considered appropriate. The University will refer each case to the police as early as possible. If the case is not reported to the police, the CFPO will advise the University Audit Committee of the reason why not. A civil action against the perpetrator may also be appropriate to recover losses resulting from the fraud or corruption. The investigation will also consider whether there has been any failure of supervision, and if so, appropriate disciplinary action will be taken against those responsible.

- Disciplinary procedures for employees
<https://portal.shu.ac.uk/departments/HRD/polproc/prf/Pages/discproc.aspx>
- Disciplinary procedures for students
<https://students.shu.ac.uk/regulations/misconduct/index.html>

¹ HEFCE may consider an event as significant where one or more of the following apply:

- The sums of money involved are, or potentially are, in excess of £25,000
- The particulars of the impropriety, fraud, theft, loss of charity assets or other irregularity may reveal a systemic weakness of concern beyond the institution or are novel, unusual or complex.
- There is likely to be public interest because of the nature of the impropriety, fraud or other irregularity or the people involved.

16 Summary

The circumstances of individual acts of fraud or corruption will vary, but it is very important that each case is vigorously and promptly investigated and that appropriate action is taken. The University views fraud and corruption very seriously and it will not be tolerated in any form. Any member of staff found to have committed an act of fraud or corruption is liable to immediate dismissal.

Approving Authority: Chief Finance and Planning Officer

Version 3: January 2017