

## Anti-Corruption Policy

March 2022

**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:	3.0
Last revised date:	March 2022
Next revision date:	March 2024

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## 1 Introduction

The University aims to promote a culture of honesty, integrity and professionalism; set out our responsibilities and of those working for us, or on our behalf, in observing and upholding our position on fraud, irregularity, bribery and corruption; and provide information and guidance to those working for our University on how to recognise and address fraud, irregularity, bribery and corruption issues.

This policy applies to all individuals working at all levels and grades, including all academic staff, senior managers, officers, directors, employees (whether permanent, fixed term or temporary), governors, consultants, contractors, trainees, seconded staff, casual associated staff and agency staff, volunteers, interns, agents, or any other person acting on behalf of our University, including agents or third-party representatives, which sometimes includes students.

The University requires all individuals working for it, or on its behalf, 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 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 Proceeds of Crime Act 2002).

### 1.1 What is fraud and corruption?

**Fraud** is a dishonest act which is committed with the intention of making a gain, or causing loss, or risk of loss to another.

**Corruption** is the abuse of entrusted power for private gain and often involves bribery.

The University defines fraud and corruption to include impropriety, fraud, theft, loss of charity assets, or other irregularity.

The [Fraud Act 2006](#) makes provision for, and in connection with, criminal liability for fraud and obtaining services dishonestly. The Act provides for three different ways of committing the offence, being:

- **Fraud by false representation** – dishonestly making a false representation, and intention, by making the representation, to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss;
- **Fraud by failing to disclose information** – dishonestly fails to disclose to another person information which they are under a legal duty to disclose, and intends, by failing to disclose the information, to make a gain for themselves or another, or to cause loss to another or expose another to a risk of loss;
- **Fraud by abuse of position** – occupies a position which they are expected to safeguard, or not to act against, the financial interests of another person, dishonestly abuses that position, and intends, by means of the abuse of that position to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss. A person may be regarded as having abused his position even though their conduct consisted of an omission rather than an act.

In the context of this plan, it is important to bear in mind that the potential / actual fraud must relate to the assets of the University and not to those of any body associated with the University, for example, the Students' Union, or to any individual connected with the University.

The University also considers that the act by any member, as defined on page 3, to incite another person to commit fraud or corruption falls under the definition of fraud and corruption for the purposes of this response plan.

## **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 and values its reputation for ethical behaviour, financial probity and reliability and therefore has a zero-tolerance policy towards fraud, irregularity, bribery and corruption. 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, or persons acting on its behalf, 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 is also key in mitigating risk.

### **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. 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 systems and data**

Potential misuse of information technology must be prevented by managing the physical access and protecting systems with electronic access restrictions. The following policies and guidance relate to the use of IT.

- [Staff Guidelines on the use of IT Facilities](#)
- [University IT Regulations and Policies](#)
- [Regulations for the use of IT Facilities and Learning Resources](#)
- [Electronic Data Encryption Policy](#)
- [IT related Policies, Regulations and Guidance for Students](#)
- [Data Strategy](#)
- [Information Governance Guidance](#)

#### **4 The Role of Auditors**

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', but Internal and external audit may be involved in identifying fraudulent transactions.

When new systems are being designed or existing systems are to be modified, internal auditors may advise management on building in ways of preventing or detecting fraud or corruption. The ongoing and periodic review of systems by internal audit will deter attempted fraud or corruption and should result in continuous improvements. The risk of fraud or corruption will be a factor into audit plans.

External audit can give advice about systems and their reviews of financial checks and balances, and validation testing provides 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:

- [Office for Students](#)
- [British Universities Finance Directors Group](#)
- 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 and Operational Development Directorate (HROD).

- [Recruitment and Selection Process](#)

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 HROD.

#### **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 during the year end audit by the external auditors. In addition, management accounts are subject to review, analysis and follow up investigation, if required, by the Finance Directorate. Individual transactions are reviewed, where appropriate, 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 whistle blowing.

## 8 Staff Responsibilities

Every member of staff, or person acting on its behalf, 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, so that the Fraud and Corruption Response Plan can be implemented (see 12 below).

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 Public Interest Disclosure](#)

## 10 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).

HROD 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 HROD. 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. Relevant policies are:

- [Alcohol, Drugs and Other Substances Policy](#)
- [University Monitoring Policy](#)

## 11 Media Relations

In order to minimise the possibility of adverse media coverage of suspected or alleged fraud or corruption the Director of Communications and Marketing must be informed of events as soon as the issue arises. Any media enquiries should be directed to the [Marketing \(Reputation\) 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.

## 12 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, as soon as possible, to the Chief Finance and Planning Officer (CFPO), or in the absence of the CFPO, the Chief People Officer, and the University

Secretary, who will instigate action and investigation under the [Fraud and Corruption Response Plan](#), including, where applicable, convening the Fraud Response Group.

The Chief Finance and Planning Officer will ensure that the internal auditor is informed, as soon as possible, of all attempted, suspected or actual significant fraud, corruption, bribery or irregularity, where significant and/or material. They will also inform the external auditors as part of the year end audit.

The designated officer (the Vice-Chancellor, or nominee) will determine whether it is appropriate to inform the Chair of the Audit and Risk Committee, the Chair of the Board of Governors, the Office for Students (OfS). Due regard will be paid to the OfS's Regulatory Advice:16 Reportable Events, which requires certain types of changes / events that would not usually be picked up by data flows alone (i.e. 'reportable events') to be notified to the OfS. The University Secretary will be tasked by the designated officer to refer the matter through the agreed OfS Reportable Event Protocol.

### **13 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 and Risk 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 action will be taken against those responsible.

- [Disciplinary procedures for employees](#)
- [Disciplinary procedures for students](#)

### **14 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.

### **15 Review of Anti-Corruption Policy**

The Anti-Corruption Policy will be reviewed after each case of fraud, corruption or other irregularity.

The Anti-Corruption Policy will be reviewed not less than biennially.

### **16 Approving Authority**

Chief Finance and Planning Officer