



ANTI-FRAUD POLICY

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1. Introduction

1.1 UK Versity has a duty to ensure that its financial affairs are properly administered, and expects its staff to act at all times with honesty and integrity to safeguard the public resources for which they are responsible.

1.2 Fraud is an ever-present threat to these resources and hence must be a concern to all members of staff and persons employed in a similar capacity. Fraud may occur internally or externally and may be perpetrated by staff, consultants, suppliers, contractors, individually or in collusion.

1.3 The purpose of this policy document is to set out responsibilities with regard to fraud prevention, what to do in the event of a suspected fraud and the action that will be taken by management.

1.4 The training provider is committed to maintaining an accountable, honest open and well-intentioned ethos. All staff and students can be confident that they will not be victimised as a result of reporting a reasonably held suspicion of fraud or corruption. Victimising or deterring someone from reporting concerns is a serious disciplinary matter and should be reported to the Principal or training provider Accountants. Malicious unfounded allegations will also be regarded as a disciplinary matter.

2. Definitions of Fraud

2.1 In law there is no specific offence of fraud and many offences referred to as fraud are covered by the Theft Acts of 1698 and 1978. The term is used to describe such acts as, deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

2.2 Computer fraud is where information technology equipment has been used to manipulate programmes or data dishonestly (for example, by altering, substituting or destroying records, or creating spurious records), or where the use of an IT system was a material factor in the perpetration of fraud. Theft or fraudulent use of computer time and resources, including unauthorised personal browsing on the internet, is included in this definition.

3. Responsibilities

3.1 The training provider has a responsibility to: Ensure there are suitable policies and practices in place to:

- Safeguard against fraud and theft
- Ensure there are effective controls to prevent fraud
- Oversee rigorous and prompt investigations if fraud may have occurred
- Ensure appropriate disciplinary and/or legal action is taken against perpetrators of fraud

3.2 The Principal, and Training Provider Accountant, carry overall responsibility for the prevention of fraud and are liable to be called to account for specific failures.

3.3 The responsibility for investigating fraud has been delegated to the Principal. He/she shall also be responsible for informing third parties such as internal and external audit, Funding Bodies or the Police as appropriate. The Principal must inform and consult the Internal Auditors in cases where fraud is suspected. In cases of allegations of fraud against the Holder of a Senior Post the Auditor/Accountant, or his/her deputy shall be the investigating officer.

3.4 The Principal may delegate to the Internal Auditors responsibility for any investigation whilst retaining overall responsibility him/her self.

3.5 Training provider managers have day to day responsibility for the prevention and detection of fraud, they are responsible for:

- Identifying the risks to which systems, operations and procedures are exposed

- Developing and maintaining effective controls to prevent and detect fraud
- Ensuring controls are being complied with.

3.6 Individual members of staff have responsibility to:

- Act with propriety in the use of training provider resources and in the handling and use of any public funds and resources, whether they are involved with cash or payment systems, receipts or dealing with contractors, suppliers or customers.
- Report immediately to the appropriate senior manager if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed.

4. Disciplinary Action

4.1 In the case of proven fraud, or suspected fraud of a serious nature, the training provider reserves the right to refer the matter to the police at the earliest possible opportunity.

4.2 Notwithstanding this, and following appropriate investigations, the Principal will determine whether to invoke action in accordance with established disciplinary procedures.

5. Personal Conduct

5.1 As stewards of any public funds all staff must have, and be seen to have, high standards of honesty, propriety and personal integrity. Staff members are required to report any potential conflict of interest to the Principal. Staff should not accept gifts, hospitality or benefits in kind from a third party which might be seen to compromise their personal judgement and integrity. All gifts, hospitality or benefits in kind accepted from a third party are to be recorded in the Training Provider Register of Gifts and Hospitality (which is held by the Principal's PA).

6. Fraud Response Plan

6.1 A Fraud Response Plan has been prepared which should act as a checklist of actions and a guide to follow in the event that fraud is suspected. It covers:

- Notifying suspected fraud
- The investigation process
- Liaison with police and internal audit
- Initiation of recovery action
- Reporting process
- Communication with Funding Bodies
- Annex to Anti-Fraud Policy

FRAUD RESPONSE PLAN

1. Introduction

This fraud response plan provides a checklist of actions and a guide to follow in the event that fraud is suspected. It covers: Notifying suspected fraud

- The investigation process
- Liaison with police and external audit
- Initiation of recovery action
- Reporting process
- Communication with Funding Bodies

1.2 Its purpose is to define authority levels, responsibilities for action and reporting lines in the event of suspected fraud, theft or other irregularity.

2. Notifying Suspected Fraud

2.1 It is important that all staff members are able to report their concerns without fear of reprisal or victimisation and are aware of the means to do so. The Public Interest Disclosure Act 1998 (the "whistle-blowers Act") provides appropriate protection for those who voice genuine and legitimate concerns through the proper channels. (See Training Provider Policy)

2.2 In the first instance, any suspicion of fraud, theft or other irregularity should be reported, as a matter of urgency, to your line manager. If such an action would be inappropriate, your concerns should be reported upwards to one of the following people:

- Principal
- Member of Senior Leadership Team

2.3 Every effort will be made to protect an informant's anonymity if requested. However the training provider will always encourage individuals to be identified to add more validity to the accusations and allow further investigations to be more effective. In certain circumstances, if anonymity cannot be maintained, this will be advised to the informant prior to release of information.

3. The Investigation Process

3.1 Suspected fraud must be investigated in an independent, open-minded and professional manner with the aim of protecting the interests of both the training provider and suspected individual(s). Suspicion must not be seen as guilt to be proven.

3.2 The investigation process will vary according to the circumstances of each case and will be determined by the Principal in consultation with the Senior Leadership Team. An "Investigating Officer" will be appointed to take charge of the investigation on a day to day basis; this will normally be the Vice Principal.

3.3 The Investigating Officer will appoint an investigating team; this could comprise staff from outside of the company.

3.4 Where initial investigations reveal that there are reasonable grounds for suspicion, and to facilitate ongoing investigation, it may be appropriate to suspend anyone against whom an accusation has been made. This decision will be taken by the Principal, in consultation with other managers and the Investigating Officer. Suspension should not be regarded as disciplinary action nor should it imply guilt. The suspended person may appeal to the Principal if not satisfied with the conduct of the Investigating Officer in line with the Training Provider Appeals Procedure.

3.5 It is important from the outset, to ensure that evidence is not contaminated, lost or destroyed. The investigating team will therefore take immediate action to secure physical assets, including computers and any records thereon, and all potentially

evidential documents. They will also ensure, in consultation with management, that appropriate controls are introduced to prevent further loss.

3.6 The Investigating Officer will ensure that a detailed record of the investigation is maintained. This should include a chronological file recording all details of telephone conversations, discussions, meetings and interviews (with whom, who else was present and what was said), details of documents reviewed, tests and analysis undertaken, the results and their significance. Everything should be recorded, irrespective of the apparent significance at the time.

3.7 All interviews will be conducted in a fair and proper manner. Where there is a possibility of subsequent criminal action, the police will be consulted and interviews may be conducted under caution in compliance with the Police and Criminal Evidence Act (PACE) which governs the admissibility of evidence in criminal proceedings.

3.8 The findings will first be reported to the Principal, who, in consultation with the Investigating Officer will determine what further (if any) action should be taken.

4. Liaison with Police

4.1 The police generally welcome early notification of suspected fraud, particularly that of a serious or complex nature. The Vice Principal and Investigating Officer will determine if and when to contact the police. The Investigating Officer will report suspected fraud to the internal auditor at an appropriate time.

4.2 All staff will co-operate fully with any police or internal audit enquiries, which may have to take precedence over any internal investigation or disciplinary process. However, wherever possible, their enquiries will be coordinated to maximise the effective and efficient use of resources and information.

5. Initiation of Recovery Action

5.1 The training provider will take appropriate steps, including legal action if necessary, to recover any losses arising from fraud, theft or misconduct. This may include action against third parties involved in the fraud or whose negligent actions contributed to the fraud.

6. Reporting Process

6.1 Throughout any investigation, the designated Investigating Officer will keep the Principal informed of progress and any developments. If the investigation is long or complex, interim reports will be made. These reports will be in writing.

6.2 On completion of the investigation, the Investigating Officer will prepare a full written report, for the Senior Managers and Principal, setting out:

- Background as to how the investigation arose
- What action was taken in response to the allegations
- The conduct of the investigation
- The facts that came to light and the evidence in support
- Action taken against any party where the allegations were proved
- Action taken to recover any losses, including any insurance claims
- Recommendations and/or action taken by management to reduce further exposure and minimise any recurrence.

6.3 A copy of the report will be submitted to the Audit/ Accountants.

6.4 In order to provide a deterrent to other persons a brief anonymous summary of the circumstances will be published by the training provider.

7. Communication with Funding Bodies

7.1 Irrespective of the amount involved, the training provider must inform any Funding or Regulatory Bodies of any fraud or irregularities pertinent to the use of funds, grants, or loans, with regard to the financial memorandum. This would normally be done at the same time as internal auditors/Accountants were informed.

DOs & DON'Ts

DO:

- Make a note of your concerns. Record all relevant details, such as the nature of your concern, the names of parties you believe to be involved, details of

any telephone or other conversations, with names dates and times and any witnesses. Notes do not need to be overly formal, but should be timed, signed and dated.

- Timeliness is most important. The longer you delay in writing up, the greater the chances of recollections becoming distorted and the case being weakened.
- Retain any evidence you have. The quality of evidence is crucial and the more direct and tangible the evidence, the better the chances of an effective investigation.
- In the first instance, report your suspicions to your manager.

DON'T:

- Do not afraid to report your suspicions. People reporting fraud are safeguarded by our “Whistle blower policy.”
- Never approach anyone you suspect or try to investigate yourself. When gathering evidence for use in criminal cases, any attempt to gather evidence by persons who are unfamiliar with these rules may destroy the case entirely.
- Do not convey your concerns to anyone other than authorised persons. There may be a perfectly reasonable explanation for the events that give rise to your suspicion. Spreading unsubstantiated concerns may harm innocent persons.

Approved by Board **[date]**

To be reviewed **[date]**

Signed **[Trustee]**

