

Finance Policy 2 – Fraud & Bribery

From: Executive Director, Finance & Planning

Date: March 2023

INTRODUCTION

The University is committed to conducting all of its business in an honest and ethical manner and has a zero tolerance policy towards fraud, bribery and any form of dishonesty in its transactions. Any allegation that a member of the University has acted in a manner that is illegal or inconsistent with this Policy will be treated seriously.

The University's management is responsible for the prevention and detection of fraud and other irregularities. The Executive Director, Finance & Planning is responsible for devising and implementing internal controls for this purpose. The effectiveness of these controls will be reviewed by Internal Audit.

All employees have a responsibility to inform management if they have a suspicion of a fraud, act of bribery or other irregularity.

Audit Committee are responsible for overseeing this Policy and must be notified of any action taken under this Policy. Audit Committee are responsible for ensuring that all significant losses have been properly investigated and that the internal and external auditors and, where appropriate, the Office for Students (OfS) accounting officer, have been informed.

Internal Audit seeks to identify serious defects in internal control which could give rise to malpractice. Internal Audit does not give total assurance that control weaknesses or irregularities do not exist. Instead all audits are designed to ensure that the audit tests undertaken have a reasonable chance of detecting a significant fraud or other loss.

DEFINITION OF FRAUD

The definition of "Fraud" can take many forms. It can include theft, obtaining property by deception, false accounting, receiving or offering bribes and even corruption. Action taken by the University will differ depending on the type of fraud discovered or suspected.

DISCOVERY OF A THEFT OR FRAUD

All thefts should be notified to the Executive Director, Finance & Planning, the University's Security Manager and the Executive Director Risk, Safety & Resilience as soon as they are discovered. The Security Manager and Executive Director Risk, Safety & Resilience will arrange to take appropriate action including notification of the Police and the instigation of insurance claims.

Occurrences and even suspicions of other types of fraud (such as false accounting), or bribery/suspected bribery, should always be reported to the Executive Director, Finance & Planning. Any occurrences or

suspicious of cyber fraud should be reported to the Executive Director, Finance & Planning and the Executive Director of iSolutions.

The Executive Director, Finance & Planning will inform the Chair of Council and the Chair of Audit Committee as soon as practically possible. The Executive Director, Finance & Planning will also notify Audit Committee and Internal Audit and may, in consultation with Executive Director of iSolutions in the case of suspicion of cyber fraud, authorise an investigation if appropriate.

INVESTIGATION OF A FRAUD

In the event of a cyber or IT fraud, the Executive Director, Finance & Planning will agree whether responsibility for the investigation will transfer to the Executive Director of iSolutions.

If there is an investigation, the Investigator will produce a confidential report for the Executive Director, Finance and Planning detailing the reason for the investigation, its findings and recommendations. These will include suggestions for improvements of systems and controls. They will not, however, include recommendations on the treatment of the individuals concerned.

If the investigation results in evidence against an individual student or member of staff, the matter will be referred to either Human Resources (staff) or the Academic Registrar (student) for appropriate action under the relevant policy.

REFERRAL TO THE POLICE

The Executive Director, Finance & Planning may, during the investigation, conclude that a criminal offence has or might have been committed, and if so consideration will be given to informing the police. The police can then ensure that evidence is gathered in a way necessary for a criminal prosecution.

The Executive Director, Finance & Planning will make the final decision on whether and when the police should be informed, although the presumption will be to inform the police in all cases.

REPORT TO OfS

The terms and conditions of funding for higher education institutions between OfS and institutions requires Higher Education Institutions (HEI's) to report serious incidents to OfS. This includes loss of assets through fraud, theft or other cause where the value of the loss is in excess of £25,000.

The Executive Director, Finance & Planning will make the relevant disclosure to the President & Vice-Chancellor who is the Accountable Officer for reporting to OfS.

BRIBERY

The offences relating to "Bribery" are defined in the Bribery Act 2010. These include a corporate offence which could lead to the prosecution of the University where someone associated with it offers or accepts bribes on its behalf. However, it is able to defend itself by showing that it had put in place adequate procedures for preventing Bribery. The implications of the Bribery Act for the University and in particular the importance of adequate procedures are explained on the University [website](#).

All staff must be aware of the Bribery Act and its implications for their work.

WHISTLEBLOWING

Staff with any concerns in relation to an actual or suspected fraud or act of bribery should refer to the [University's Whistleblowing Policy](#).

MONEY-LAUNDERING

Staff with any concerns in relation to actual or suspected money laundering should refer to [Finance Policy 5 Anti Money Laundering](#).

RESPONSIBILITIES

Finance Committee

- ✔ Responsible for approving this policy.

Audit Committee

- ✔ Responsible for overseeing the University's policy on fraud, bribery and financial irregularity.
- ✔ Responsible for ensuring that all significant losses have been properly investigated and that the internal and external auditors and, where appropriate, the OfS accounting officer, have been informed.

President & Vice-Chancellor

- ✔ Responsible for reporting serious incidents to OfS.

Deans/Executive Heads of Professional Services

- ✔ Responsible for making an annual declaration to the Vice-President Operations as part of the Annual Assurance Process.
- ✔ Responsible for the prevention and detection of fraud and other irregularities within their Faculty.
- ✔ Responsible for ensuring financial regulations and policies are understood and implemented in their Faculties.

Internal Auditor

- ✔ Responsible for auditing the effectiveness of internal controls.

Executive Director, Finance & Planning

- ✔ Responsible for devising and implementing internal controls for the prevention and detection of fraud and other irregularities.
- ✔ Responsible for informing the University's Security Manager and the Executive Director Risk, Safety & Resilience of any identified thefts or frauds.
- ✔ Responsible for notifying the Chair of Audit Committee and the Chair of Council as soon as practically possible on discovery of a potential theft or fraud.
- ✔ Responsible for informing Audit Committee and Internal Audit about any identified thefts or frauds.
- ✔ Responsible for agreeing with the Executive Director of iSolutions who will be the investigator if there is suspicion of cyber-fraud.

Responsible for investigating any identified thefts or frauds, producing a confidential report and referring the matter to either Human Resources (staff) or the Academic Registrar (student) for appropriate action under the relevant policy.

- ✔ Responsible for notifying the President and Vice-Chancellor with regards to any serious incidents.
- ✔ Responsible for making the final decision on whether the police should be informed.

Executive Director of iSolutions

- ✔ Responsible for agreeing with the Executive Director Finance and Planning who the Investigator will be if there is suspicion of cyber-fraud

Academic Unit Heads/ Directors of Professional Services

- ✔ Responsible for the prevention and detection of fraud and other irregularities within their Academic Unit / Professional Service.
- ✔ Responsible for providing an annual declaration as part of the annual assurance process.

Subsidiary Companies

- ✔ Responsible for complying with this policy.

Employees

- ✔ Responsible for notifying the Executive Director, Finance & Planning in the event of a discovery or suspicion of a theft or fraud.
- ✔ Responsible for being aware of the Bribery Act and its implications for their work.
- ✔ If in doubt, staff with any concerns in relation to reporting an actual or suspected fraud or act of bribery should refer to the University's Whistleblowing Policy.

VERSION CONTROL

Level:		Hazard Group:		Version:	2
Consulted:			Date:		
Feedback:					
Date to PRG:	16 February 2023		Date approved:	16 February 2023	
Date to Finance Committee:	7 March 2023		Date approved:	7 March 2023	
E&D Assessment:	No		Review date:	March 2026	
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