



BUCKINGHAMSHIRE
NEW UNIVERSITY

EST. 1891



ANTI-FRAUD AND CORRUPTION POLICY

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Forms and templates

Fraud, anti-bribery and corruption risk assessment form

Version 1

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If required this formal document is available in an alternative format e.g. Braille, tape, disc, email or a larger font size. Please contact the Academic Quality Directorate.

Introduction

- 1 The University is committed to the highest standards of ethical conduct and integrity in its activities in the UK and overseas.
- 2 This policy outlines the University's position for countering fraud, bribery and corruption and upholding the relevant laws, particularly:
 - The Fraud Act, 2006
 - The Bribery Act 2010
 - The Public Interest Disclosure Act, 1998
- 3 It sets out the University's policy together with its approach to monitoring, identifying and avoiding incidents and/or risks of fraud, bribery and corruption. In addition it refers to the University's guidance to giving and/or receiving gifts and/or hospitality.

Policy Statement – scope and responsibilities

- 4 The University will not tolerate any form of fraud, bribery, corruption or dishonesty by, or of, its employees, agents or consultants or any person or body acting on its behalf in any jurisdictions. The University requires all individuals acting on its behalf to conduct business honestly, fairly and professionally.
- 5 This policy and its associated procedures (see paragraph 11 below) applies to all employees, officers and Council members of the University, and to temporary workers, consultants, contractors, agents and subsidiaries acting for, or on behalf of, the University ("associated persons") within the UK and overseas. This includes employees of partner institutions who may be delivering Bucks awards under an academic partnership agreement. It will also apply to students when they are acting on behalf of the University, either in a paid or voluntary role.
- 6 University employees or associated persons working on behalf of the University must not:
 - undertake in any fraudulent activity or offer or make a bribe, unauthorised payment or inducement of any kind to anyone
 - solicit business either through fraudulent activity or by offering a bribe, unauthorised payment or inducement to a third party
 - accept any kind of bribe, unauthorised payment or inducement that would not be authorised by the University in the normal course of events
- 7 University employees or associated persons working on behalf of the University must:
 - refuse any bribe, inducement or unauthorised payment in a form which could lead to a misunderstanding
 - report any incidences of fraudulent activity and any offer of bribe, inducement or unauthorised payment either to the Compliance Officers (see paragraph 10 below) or under the University Whistleblowing policy (whistleblowing@bucks.ac.uk).

- 8 Every employee and associated person acting for, or on behalf of, the University is responsible for maintaining the highest standards of conduct.
- 9 All employees and associated persons are required to familiarise themselves and comply with this policy and its associated procedures, including any future updates that may be issued from time to time by the University.
- 10 Council have overall responsibility for approval of this policy and for monitoring its implementation and compliance. Council require all budget holders to take the necessary steps to assess risk, keep records and monitor so as to prevent fraud, bribery and corruption. This can be delegated as appropriate:
 - The Audit Committee of Council is responsible for instructing the University's internal and external auditors to undertake regular monitoring and reporting of these areas.
 - The Senior Management Team (SMT) is committed to implementing effective measures to prevent, monitor and eliminate fraud, bribery and corruption.
 - The Clerk to the Council and Deputy Director of Finance will act as the University's Compliance Officers either together or individually for this policy and will ensure regular reporting to the Audit Committee of Council as appropriate.
 - The Human Resource Directorate for the delivery of on-line training.
 - All employees are responsible for the prevention, detection and reporting of fraud, bribery and corruption.
- 11 This policy should be read in conjunction with and is supported by the University's:
 - Financial Regulations
 - Expenses Policy
 - Procurement Policy
 - Whistleblowing Policy
 - Disciplinary Procedures
 - Human Resource Policies as appropriate
 - Conflict of Interests / Declaration/Register of Interests

Breaching the Policy

- 12 Any allegation that an employee has acted in a manner that is illegal or inconsistent with this policy and its associated procedures is likely to constitute a serious disciplinary, contractual or criminal matter for the individual concerned and may cause serious damage to the reputation and standing of the University. In this respect the University reserves the right to refer alleged instances to the relevant employee disciplinary procedures or to the police authorities.
- 13 Any allegation that a member of the University's Council has acted in a manner that is illegal or inconsistent with this policy and its associated procedures is likely to constitute a serious disciplinary, contractual or criminal matter for the individual

concerned and may cause serious damage to the reputation and standing of the University. In this respect the University reserves the right to refer alleged instances to the relevant forum of Council for consideration or to the police authorities.

- 14 Any allegation that a member of the Bucks Students' Union has acted in a manner that is illegal or inconsistent with this policy and its associated procedures is likely to constitute a serious disciplinary, contractual or criminal matter for the individual concerned and may cause serious damage to the reputation and standing of the University. In this respect the University reserves the right to refer alleged instances to the relevant forum of the Students' Union for consideration or to the police authorities.
- 15 The University may also face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act 2010.
- 16 The University reserves the right to terminate its contractual arrangements with any associated person(s) providing services for, or on behalf, of the University where there is reasonable evidence that they or their staff have committed an act of fraud, bribery or corruption.
- 17 In addition to any internal procedures the University may report suspected cases to the relevant authorities.
- 18 The University reserves the right to seek redress via civil proceedings against employees or associated persons whose acts or omissions have resulted in financial loss to the University. This is regardless of whether the employee or associated persons were prosecuted.

What is Fraud?

- 19 The Fraud Act (2006) came into force on the 15 January 2007. The act introduces provision for a general offence of fraud which is broken into three sections:
 - **Fraud by false representation:** Representation must be made dishonestly and is made with the intention of making a gain or causing a loss or risk of loss to another. A representation is defined as false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading. Representation can be stated by words or communicated by conduct i.e. written, spoken or by electronic means.
 - **Fraud by failing to disclose information** means that a fraud will have been committed, if a person fails to declare information which they have a legal duty to disclose. There is a requirement that the person acts dishonestly and intends to make a gain for themselves, cause a loss to another or expose another to a risk of loss.
 - **Fraud by abuse of position** occurs when a person who is in a privileged position acts dishonestly by abusing the position held and by doing so, fails to disclose to another person, information which they are legally required to disclose. The dishonest act must be with the intention of making a gain for themselves or another. Alternatively, it may be with the intention of causing a loss or risk of loss to another. The offence may be committed by omitting to make a declaration as well as by an act.

What are Bribery and/or Corruption?

- 20 The Bribery Act came into force on 1 July 2011. Under the Act, a bribe is a financial or other type of advantage that is offered or requested with the:
- intention of inducing or rewarding improper performance of a function or activity; or
 - knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.
- 21 A relevant function or activity includes public, state or activities performed in the course of a person's employment, or on behalf of another business or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of trust.
- 22 Corruption is the misuse of public office or power for private gain, or misuse of private power in relation to business outside the realm of government
- 23 A criminal offence will be committed under the Bribery Act 2010 if:
- an employee or associated person acting for, or on behalf of, the University offers, promises, gives, requests, receives or agrees to receive bribes
 - an employee or associated person acting for, or on behalf of, the University offers, promises or gives a bribe to a foreign public official with the intention of influencing that official in the performance of their duties (where local law does not permit or require such influence)
 - the University does not have the defence that it has adequate procedures in place to prevent bribery by its employees or associated persons.
- 24 Small payments to officials to facilitate routine Government business, known as facilitation payments or kick-backs, are also classified as bribery, and are therefore illegal. (see paragraph 49-56 below)
- 25 Individuals found guilty of a bribery offence can face fines or prison sentences of up to ten years.
- 26 The University may face unlimited fines if it is found to have failed to prevent bribes being made by employees or associated persons.

Guiding Principles

- 27 The policy takes account of the six guiding principles detailed in the Bribery Act (2010). These have been extended to cover fraud and corruption:

Guiding Principle	University's approach
Proportionate procedures	The University's procedures to prevent fraud, bribery or corruption by persons associated with it will be proportionate to the identified risks, taking account of the nature, scale and complexity of its activities.

Guiding Principle	University's approach
Top-level commitment	Senior management is committed to implementing effective measures to prevent, monitor and eliminate fraud, bribery and/or corruption. The implementation of this policy will be monitored by Council through its Audit Committee.
Risk assessment	The University has established detailed risk management procedures to prevent, detect and prohibit fraud, bribery or corruption. The University will conduct risk assessments for each of its key activities on a regular basis and, where relevant, will identify employees or officers of the University who are in positions where they may be exposed to fraud, bribery or corruption.
Due diligence	Procedures will require the undertaking of a proportionate due diligence assessment of ongoing and new activities.
Communication	The University will regularly communicate its fraud, anti-bribery and corruption measures to employees and associated persons and ensure appropriate training is provided to areas/individuals considered as higher risk.
Monitoring and review	Application of this policy/procedure will be subject to regular review through the University's risk management and internal/external audit processes.

Steps to prevent Fraud, Bribery and Corruption

Risk Assessments

- 28 Effective risk assessment lies at the core of the success of this policy. It is important that an assessment is undertaken of the risks of fraud, bribery or corruption or of the perception arising that this may have occurred. This enables proportionate and prioritised mitigating actions to be put in place.
- 29 The University will identify high-risk areas, for example, projects undertaken in high-risk countries, tenders for work and those working on high-value projects.
- 30 The University will:
- regularly monitor employees and associated persons working in higher risk areas
 - regularly communicate with employees and associated persons working in higher risk areas
 - undertake proportionate due diligence of third parties and associated persons; and communicate its zero-tolerance approach to fraud, bribery and corruption to third parties, including actual and prospective customers, suppliers and joint-venture partners.

- 31 Employees and associated persons are required to complete a fraud, anti-bribery and corruption risk assessment form when commencing a new project. This form constitutes part of the due diligence evidence considered when taking decisions to enter into a new project/partnership.

Record keeping

- 32 Employees and, where applicable, associated persons, are required to take particular care to ensure that all University records are accurately maintained in relation to any contracts or activities, including financial invoices and all payment transactions with clients, suppliers and public officials.
- 33 Due diligence in accordance with the University's procurement and risk management procedures, should be undertaken by employees and associated persons prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative.
- 34 Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

Monitoring and Review

- 35 The University is committed to reviewing on an ongoing basis the effectiveness of its policies and procedures in relation to fraud, anti-bribery, corruption and hospitality every five years or earlier if changes in legislation require it.
- 36 The application of this policy/procedures will therefore be subject to regular review through the University's risk management and internal/external audit processes or following changes in legislation or, significant organisational change.

Reporting suspected incidents

- 37 The University depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all its dealings. Employees and associated persons are requested to assist the University and to remain vigilant in preventing, detecting and reporting fraud, bribery and corruption.
- 38 Employees and associated persons are encouraged to report any concerns that they may have to their line manager as soon as possible. Issues that should be reported include:
- any suspected or actual attempts at fraud, bribery or corruption
 - concerns that other employees or associated persons may be being involved in fraud, bribery or corruption
 - concerns that other employees or associated persons may be involved in fraud, bribery or corruption of third parties, such as clients or government officials
- 39 The University is committed to ensuring its employees have a safe and confidential way of reporting suspected wrongdoing. Employees are therefore encouraged to immediately report incidents of suspected fraud, bribery or corruption to their line manager in the first instance, who is responsible for reporting these to the Compliance Officers.

- 40 Should the matter or practice concern their line manager, then it should be reported to their Human Resources Business Partner or addressed via email using whistleblowing@bucks.ac.uk. Any such reports will be thoroughly and promptly investigated in the strictest confidence. Employees and associated persons will be required to assist in any investigation into possible or suspected fraud, bribery or corruption.
- 41 Employees or associated persons who report instances of fraud, bribery or corruption in good faith will be supported by the University. The University will ensure that the individual is not subjected to detrimental treatment as a consequence of their report. The employee can request anonymity which will be protected as far as possible within legislation.
- 42 Any instances of detrimental treatment by a fellow employee because an employee has made a report may be dealt with in accordance with the University's disciplinary procedures.
- 43 An instruction to cover up wrongdoing is itself a disciplinary offence. If told not to raise or pursue any concern, even by a person in authority such as a manager, employees and associated persons should not agree to remain silent. They should report the matter to the Compliance Officers.

Working overseas

- 44 Employees and associated persons conducting business on behalf of the University outside the UK may be at greater risk of being exposed to bribery or unethical conduct than UK-based employees. Employees and associated persons owe a duty to the University to be extra vigilant when conducting international business.
- 45 Due diligence should be undertaken on all overseas partners, agents and suppliers.
- 46 Employees and associated persons are required to co-operate with the University's risk management procedures and to report suspicions of fraud, bribery or corruption to the compliance officer.
- 47 While any suspicious circumstances should be reported, employees and associated persons are required particularly to report:
- close family, personal or ties that a prospective agent, representative or joint-venture partner may have with government or corporate officials, directors or employees
 - a history of corruption in the country in which the business is being undertaken (Note: consideration of this will be included in the formal due diligence undertaken by the University when establishing a new partnership or contract, however, where an individual employee or associated person may have specialist knowledge they are asked to make this known to the University)
 - requests for cash payments
 - requests for unusual payment arrangements, for example, via a third party
 - requests for reimbursements of unsubstantiated or unusual expenses

- a lack of standard invoices and proper financial practices.

48 If an employee or associated person is in any doubt as to whether or not a potential act constitutes fraud, bribery or corruption, the matter should be referred to the Compliance Officers.

Facilitation Payments

49 The University prohibits its employees or associated persons from making or accepting any facilitation payments. These are payments made to government officials for carrying out or speeding up routine procedures. They are more common overseas. Facilitation payments are distinct from an official, publicly available fast-track process.

50 Facilitation payments, or offers of such payments, may constitute a criminal offence by both the individual concerned and the University under the Bribery Act 2010, even where such payments are made or requested overseas. Employees and associated persons are required to act with greater vigilance when dealing with government procedures overseas.

51 Where a public official has requested a payment, employees or associated persons should ask for further details of the purpose and nature of the payment in writing. If the public official refuses to give these, this should be reported immediately to the Compliance Officers.

52 If the public official provides written details, the Compliance Officers will consider the nature of the payment. Local legal advice may be sought by the University.

53 If it is concluded that the payment is a legitimate fee, for example part of a genuine fast-track process, or is permitted locally, the University will authorise the employee to make the payment.

54 Where the Compliance Officers considers that the request is for a facilitation payment, the employee or associated person will be instructed to refuse to make the payment and notify the public official that the employee or associated person is required to report the matter to the University and the UK embassy.

55 The University will seek the assistance of the relevant employee in its investigation and may determine that the matter should be referred to the prosecution authorities.

56 If an employee or associated person has any other concerns about the nature of a request for payment, they should report it to the Compliance officers using the reporting procedure set out in this policy and in accordance with the University's Whistleblowing Policy.

Training and communication of the Policy

57 The University will regularly communicate its policies/procedures on fraud, anti-bribery, corruption, gifts & hospitality to all employees and associated persons.

58 The University will establish and deliver training sessions where applicable through on-line training organised by the Human Resources Directorate. Where employees are working in higher risk positions – e.g. SMT, International Office, Researchers – the University may provide additional training as necessary.

- 59 This policy will be brought to the attention of employees and associated persons acting for or on behalf of the University during the procurement process.

Addendum: Procedures for Implementation

Identifying where fraud, bribery or corruption may take place is not always easy. If you are in a situation and unsure whether you are being offered a bribe or are concerned your conduct could suggest you are offering a bribe, consider the following questions:

- Have I consulted the right people?
- Could I explain my actions/decisions to others and feel comfortable?
- Is it consistent with the University's behaviour and way of doing business?
- Is it legal?

If the answer to any of these questions is "no" or "don't know" then stop and seek advice from the Compliance Officers before acting.

Examples of Risk Areas

The following are examples of a range of UK and overseas activities which, depending on the circumstances, could lead to breaches of this policy or legislation by the individuals or the University:

- Procurement: a company is desperate to win a major contract with the University and offers to make a car available on a long term loan to a staff member who can influence the award of the contract.
- Alumni / charitable donations: a wealthy alumnus arranges for their company to make a substantial donation to the HEI to ensure that his child is awarded a place.
- Overseas recruitment: an agency responsible for recruiting students pays a small bribe to an education department official to be allowed access to students in a highly rated school.
- Overseas development: the University seeks to expand into a new geographic area and an individual exchanges valuable gifts with local leaders on the basis that this is expected practice in the country.
- Field trip / study tour: an employee on a field trip with students pays a small sum to custom officials to avoid excessive delay in the import of equipment.
- Research: an employee conducting research in a specialist areas is asked to give an overly positive peer review in exchange for a similar review of their own work.

Fraud

Roles and responsibilities in countering fraud

Individual members of staff are responsible for:

- a acting with propriety in the use of Bucks New University resources;
- b reporting details immediately to their line manager or to a Director if they suspect that a fraud is being committed or see any suspicious acts or events;
- c identifying to management any potential improvements in controls to minimise the opportunity for fraud to arise, and;

- d assisting any necessary investigations by making available all relevant information and by co-operating in interviews.

If staff are unsure whether to use the Whistle blowing Policy to report suspected fraud, or want independent advice at any stage, they can get free advice from the independent charity Public Concern at Work, on 020 7404 6609.

Managers and directors are responsible for:

- a identifying and analysing the potential fraud risks to which their systems and procedures are exposed, alongside other risks in accordance with the Bucks New University Risk Management Policy;
- b implementing and maintaining effective controls to prevent and detect fraud, and ensuring controls are complied with, and;
- c reporting suspicions of fraud notified by staff or in relation to their own concerns, to their own line manager, and leading or participating in the investigation of incidents, in accordance with the University's procedures.

The Deputy Vice Chancellor is responsible for:

- a ensuring there is an effective anti-fraud control framework;
- b carrying out prompt and robust investigations where fraud is suspected;
- c informing and consulting the Vice Chancellor and Audit Committee Chair, and;
- d informing third parties, including Internal and External Auditors, HEFCE, Police.
- e informing and consulting the head of PR to ensure effective management of possible publicity, and;
- f informing and consulting the HR Services Director where commencement of disciplinary procedures is being considered.

In the absence of the Deputy Vice Chancellor, another member of the Executive Team will assume these responsibilities.

The Audit Committee is responsible for:

- a overseeing the University's financial controls and risk management system, to include review of fraud risk;
- b receiving reports on all fraud or other incidents that fall under this policy;
- c overseeing on behalf of the Board the conduct of investigations into incidents falling under this policy, and;
- d annual review of the Fraud and Theft Register.

Controls to manage fraud risk

Bucks New University has a range of controls and procedures in place intended to minimise fraud risk. These include:

- The organisation of financial duties so that no one person can carry out a complete transaction.
- Written delegations of authority so that only named post-holders can carry out specified transactions.

- Checks on the previous employment records of any individual we are considering employing, as well as a check on eligibility to work in this country and, for some posts, a check with the Disclosure and Baring Service.
- A comprehensive programme of internal audit and all procedures are regularly reviewed and updated.
- Fraud or suspected fraud exceeding £5,000 in value will be reported to HEFCE.
- Regular review of fraud risk, and of the effectiveness of the Fraud Response Plan.

Bribery

Procedures are detailed earlier in the document

Examples of Bribery

- Offering excessive hospitality to a contact to secure a commercial project or grant.
- Receiving concert tickets from a contact on the understanding that you will, as a result, put business their way or award or renew an existing contract
- A contact offers your partners a free long-haul flight if you ensure their tender response receives preferential treatment
- Using an overseas intermediary to pay a suggested fee for expedited approval by a foreign official of a local course proposed to be run

Corporate entertainment, gifts, hospitality and promotional expenditure

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation or gratitude, or invitations to events, functions, or other social gatherings, in matters connected with our business. These activities are acceptable provided they fall within reasonable bounds of value and occurrence.

When evaluating what is reasonable consider:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?

If you find it difficult to answer one or more of the above questions, there may be a risk involved which could potentially damage the reputation and business of the University. The action could be unlawful.

The University's Employees' Expenses Policy sets out the limits approved and the process required to record gifts and hospitality.