



# Huddersfield New College Policies, Protocols and Procedures

## Anti-Fraud, Bribery and Corruption Policy 2022/23

### 1. Statement of Intent/Scope and Purpose

- 1.1. The College requires all staff at all times to act honestly and with integrity to safeguard the public resources for which the Corporation is responsible. Fraud is an ever-present threat to resources. All members of College staff must therefore remain alert to the risk that fraud or other irregularity could occur in their area of responsibility.
- 1.2. The purpose of this policy is to set out the College's responsibility regarding the prevention of fraud and irregularity and the response plan to be followed where a fraud or irregularity is detected or suspected.
- 1.3. All actions taken by the College shall be in accordance with the law, relevant College regulations, other College procedural documents and requirements set out in the Audit Code of Practice.

This policy applies to all employees and anyone acting for, or on behalf of the College ("associated persons"), including governors, other volunteers, temporary workers, consultants and contractors.

- 1.4. This policy links with the following policies and regulations:

- Anti-fraud, Bribery and Corruption response plan
- Financial Regulations
- IT Acceptable and Safe Use Policy
- Data Protection
- Whistleblowing Policy and Procedures
- Disciplinary and Capability Policy

### 2. Definitions

- 2.1. The new Fraud Act 2006 came into force on the 15<sup>th</sup> January 2007, and fraud has been given a legal definition. The act introduces provision for a general offence of fraud which is broken into three sections:
  - Fraud by false representation
  - Fraud by failing to disclose information
  - Fraud by abuse of position

#### 2.2. Fraud by False Representation

Representation must have been made dishonestly, 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.

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#### 2.3. Fraud by Failing to Disclose Information

Fraud by failing to disclose information indicates that fraud has been committed if individuals fail to declare information which they have a legal duty to disclose; if individuals act dishonestly and intend to make a gain for themselves, cause loss to another or expose another to a risk of loss.

#### 2.4. Fraud by Abuse of Position

Fraud by abuse of position requires a person who is in a privileged position to act 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.

The introduction of the Fraud Act 2006 does not prevent the prosecution of offences under the various Theft Acts and Forgery and Counterfeiting Act, e.g. theft, counterfeiting and falsification of documents.

#### 2.5. Persons outside, as well as inside, the College can commit fraud. In the College context, fraud or irregularity could include:

- Pilfering of stock
- Theft of cash or equipment
- Improper use of telephone facilities
- Unauthorised use of College equipment (including computers)
- Improper manipulation of computer programmes or data collusion with others for illicit gain
- Falsification of documentation such as registers, enrolment forms, timetables, salary claims, financial records and claims for travel and subsistence or other allowances
- Improper/inaccurate claims for overtime or time off in lieu
- Any other impropriety

#### 2.6. External attempts at fraud or irregularity could include:

- Submission of false invoices
- Demands for payment for unsolicited goods
- Contractor frauds involving overcharging, sub-standard work, bid rigging and/or collusion in competition for services
- Fraudulent claims for College funds.

### 3. Prevention of Fraud/Irregularity

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- 3.1 To try to prevent fraud, corruption or bribery, line managers are responsible for ensuring that adequate systems of internal control exist within their areas of responsibility and that the controls operate effectively. There is a need for all managers to assess the types of risk involved with operations for which they are responsible, to review and test the control systems on a regular basis and to ensure compliance with control regimes.
- 5.2 In establishing effective internal controls, managers should be aware of the following good practice concepts:
- Supervisory checks
  - Appropriate organisational structures
  - Complete, accurate and up to date records
  - Physical security of assets/stocks
  - Segregation of duties
  - Dedicated finance team to process orders/payments etc.
  - Clearly defined written responsibilities
  - Clearly defined lines of reporting
  - Regulations and associated procedure guides
  - Internal and external audit investigations/reviews
  - Adherence to Financial Regulations and other procedural documents
- 5.3 The Board Assurance Framework provides further assurance and the Audit Committee have overall responsibility for this framework. The Audit Committee may commission further assurance from external sources based on the risk assessment presented.

#### 4. Roles and Responsibilities

- 4.1 The Principal is ultimately responsible for the management of the College including line management and accountability arrangements. All staff have a general responsibility for the security of College's property (including information and goodwill), for avoiding loss and for due economy in the use of resources. The Fraud Response Officer, currently designated as the Chief Finance Officer, shall be immediately notified whenever any matter arises which involves or is thought to involve irregularity, including fraud, corruption or any impropriety. Staff shall make available any relevant records or information to the Fraud Response Officer in connection with the carrying out of their duties of implementation of the College's financial policies and system of financial control.
- 4.2 The Corporation, the Audit Committee and the Senior Leadership Team are responsible for:
- Developing and maintaining effective, efficient and visible controls to prevent and minimise the risk of fraud, e.g. separation of duties, proper authorisation of expenditure etc.
  - Ensuring that all staff and Corporation and Committee Members are aware of their duties and the required standards of conduct

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- Protecting and supporting against harassment or victimisation of those who, in good faith, make allegations of suspected irregularities
- Safeguarding the rights of any persons subject to investigation
- If any allegation of suspicion of fraud, corruption or bribery is raised against the Principal, the Chair of the Audit Committee should instigate vigorous and prompt investigations
- The Principal is responsible for appointing the College's Fraud Response Officer. This is currently designated as the Chief Finance Officer
- The Audit Committee, reporting to the Corporation Board, should ensure that its Terms of Reference in relation to Fraud, Corruption or Bribery are strictly adhered to and that requirements under the Post 16 Audit Code of Practice are followed.

4.3 The College's Fraud Response Officer is a member of the Senior Leadership Team and is responsible for:

- Identifying the risks within systems and procedures
- Developing and maintaining effective controls to prevent and detect fraud, corruption or bribery
- Ensuring that controls are implemented, reviewed, updated and complied with
- Ensuring that all contractors, sub-contractors and any agents or third parties acting on behalf of or representing the College in any way, are aware of this Policy and the College's "zero tolerance" of any acts of fraud, corruption or bribery
- Carrying out vigorous and prompt investigations if suspicion of fraud, corruption or bribery is raised if delegated by the Principal
- Reporting the outcome of any such investigations to the Principal and to the Chair of the Audit Committee, who may recommend further actions with any relevant external bodies

4.4 Members of College staff are responsible for acting with propriety in all College activities. This includes the handling and use of any funds or monies

- Ensuring that they do not receive gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their personal and/or professional judgement or integrity to that of the College within the constraints of the Financial Regulations
- Communicating or reporting their concerns as appropriate within the College Confidential Code of Reporting
- Adhering to any relevant policies regarding confidentiality, behaviour and conduct
- Co-operating fully with any investigation covered by this policy, whether conducted by the Fraud Response Officer, the Internal Auditors or the external agencies etc.
- Staff have available to them a 'good practice guide' for fraud awareness

4.5 Human Resources are responsible for:

- Taking or instigating appropriate disciplinary action against perpetrators of fraud, corruption or bribery

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- If the suspected or actual fraud is deemed a criminal action, then the relevant authorities should be informed e.g. the Police
- Taking disciplinary action against leaders/managers where supervisory failures have contributed to the commission of such acts
- The College reserves the right to prosecute those suspected of fraud, corruption or bribery

#### 5. Review of Policy

The Senior Leadership Team own this policy and the policy is submitted annually to the Audit Committee for approval, on behalf of the Governing Corporation. This policy will be presented alongside the Anti-Fraud, Bribery and Corruption Response Plan.

Version	Date	Author(s)	Comments	Approval Route/ Date	Date of Next Review
1	November 2019	Julie Thomas and Claire Coupland	New policy	SLT November 2019 Audit Committee November 2019	November 2020
2	November 2020	Julie Thomas and Claire Coupland	Revision to reflect revised (linked) policy descriptor.	SLT December 2020 Audit Committee December 2020	November 2021
3	November 2021	Julie Thomas and Claire Coupland	Minor update, annual review completed	SLT November 2021 Audit Committee November 2021	November 2022
4	November 2022	John Flynn, Claire Coupland	Minor update, annual review completed	SLT November 2022 Audit Committee November 2022	November 2023