

Anti Fraud, Bribery & Corruption Policy

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COLEG GWENT

Anti-Fraud, Bribery & Corruption Policy

Introduction

1. Coleg Gwent will not accept any level of fraud, bribery or corruption. We are committed to protecting our assets and are committed to honesty and integrity in all of our activities. The College is determined to prevent, deter and detect all forms of fraud, bribery and corruption committed against it, whether by internal or external parties.
2. The College is committed to ensuring all of its business is conducted in an open, honest and fair manner. All governors, staff and third parties working on behalf of the College are expected to adopt the highest standards of propriety and accountability, and to play a key role in promoting an anti-fraud, bribery and corruption culture.
3. All cases of suspected fraud, bribery or corruption will be thoroughly investigated and dealt with appropriately. The form of action taken will depend on the level and circumstances of the fraud discovered and may include disciplinary procedures, dismissal and/or criminal prosecution. The College will always seek to recover funds lost through fraud.
4. This policy applies to all governors, all staff, whether permanent or temporary, and all third parties working on behalf of the College.

Definition of Fraud

5. For the purposes of this policy, fraud is defined as the use of deception to deprive, disadvantage or cause loss to another person or party. This can include theft, the misuse of funds or other resources or more complicated crimes such as false accounting and the supply of false information or misrepresentation.
6. The Fraud Act 2006 introduced three main offences. They are as follows:
 - **Fraud by false representation** - e.g. lying on a CV to obtain employment
 - **Fraud by abuse of position** – e.g. finance manager uses their position to embezzle funds
 - **Fraud by failing to disclose information** - e.g. not declaring an unspent criminal conviction in order to obtain employment.
7. Other examples of fraud that might occur at the College would include (the list is not exhaustive or exclusive and other offences of a similar nature will be dealt with under this policy):
 - falsification of expense claims or pay claims
 - abuse of annual leave entitlement
 - theft of cash or other college assets or stock
 - falsification of invoices or other records to procure payment
 - failure to account for monies or invoices paid
 - abuse of the sickness scheme
 - unauthorised use of college property and equipment
 - inappropriate use of college facilities, property or equipment for personal gain

- undertaking other employment activities or otherwise being absent without authority during college contractual hours
 - falsifying learner outcome claims/records
 - falsifying qualifications to gain employment
 - failing to disclose a personal interest in businesses with whom the college contracts for services or supplies. See para 20.2
8. An individual who commits fraud will face disciplinary action, civil action and/or criminal prosecution. If found guilty of fraud in a criminal court, an individual may receive a custodial sentence of up to ten years. The individual may also be struck off if they are a member of a professional body.

Definition of Bribery

9. Bribery is a financial or other advantage that is intended to induce "improper performance" of a position of trust or a function that is expected to be performed impartially or in good faith. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift (i.e. lavish treatment during a business trip or tickets to an event).
10. Bribery does not always result in a loss. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another.
11. The Bribery Act 2010 provides the four main offences:
- giving or offering a bribe
 - receiving or requesting a bribe
 - bribing a foreign public official (also known as facilitation payments)
 - negligently failing to prevent a bribe (corporate offence)
12. Under the Bribery Act, an offence can still have been committed even if no money or goods have been exchanged and a bribe has no minimum value.
13. It therefore falls to all staff to ensure that they declare gifts and hospitality offered to them in the course of their work. See paragraph 20.1
14. Individuals who commit bribery against the College may face criminal prosecution, civil action, disciplinary action and/or striking off (if the individual is a member of a professional body). If found guilty of bribery, the individual may receive a ten year custodial sentence and unlimited fines.

Prevention of fraud, bribery and corruption

15. The College operates within a robust framework of expected behaviour and internal control which includes values and behaviours, the code of conduct and systems and procedures, including Standing Orders and Financial Regulations and the procurement policy and procedure. These are designed, in part, to prevent fraud and corruption and to enhance accountability. We require governors, staff and third parties working on our behalf to act in accordance with this framework.
16. The College has systems and procedures that incorporate robust internal controls designed to minimise the risk of fraud, bribery and corruption occurring. Managers are

required to identify the risks to which systems are exposed (including the risk of fraud), to develop and maintain controls to mitigate and manage the risks and to ensure that such controls are properly complied with. The Corporate Risk Register identifies the risk of fraud, together with the mitigating actions in place to minimise the risk of fraud occurring. The College's Internal Audit service reviews the adequacy and effectiveness of internal controls, as part of their annual audit programme, to provide assurance to managers, CMT and the Audit Committee.

17. A key preventative measure to minimise the risk of fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff in terms of their propriety and integrity. In this regard, temporary staff should be treated in the same manner as permanent staff. Staff recruitment should be in accordance with procedures laid down in the relevant HR policies, and written references obtained before formal employment offers are made.
18. Directors and Senior Postholders must:
 - disclose details of any organisations in which they hold a position of authority or other material interest and whose business could bring them into contact with the College.
 - Disclose any transactions between the College and parties related to them.
19. All staff are expected to conduct themselves in line with the College's Core Values and Behaviours, "Nolan" principals (see Appendix A) Code of Conduct and any recognised codes of conduct related to their professional qualifications, including:
 - 19.1. The declaration of membership of outside bodies and organisations that might give rise to a conflict of interest.
 - 19.2. Gaining permission from the Principal/Chief Executive for any outside paid employment or business, which must not conflict with the interests of the College.
 - 19.3. Not to accept significant personal gifts or hospitality. Any gifts or hospitality accepted by staff must be reported appropriately (see below).
20. To minimise the risk of bribery and corruption, the College has adopted the following policy on gifts and hospitality:
 - 20.1. Unbranded gifts up to the value of £100 must not be accepted without the permission of the appropriate Director and gifts above the value of £100 can only be accepted with the permission of the Principal/Chief Executive. All such gifts/hospitality must be notified to the Director of Finance for inclusion in the Corporate Gifts and Hospitality Register. Small branded items such as pens, calendars etc. up to an estimated value of £25 may be accepted. The Register will be reviewed by the Audit Committee on an annual basis.
 - 20.2. The College requires all individuals engaging suppliers of services and working with partners on behalf of the College to ensure that service suppliers and partners are selected through a transparent and competitive selection process and due diligence is carried out on partners and suppliers before entering into contracts. Further information is set out in the College's Financial Regulations and Procedures.
 - 20.3. All staff and suppliers must understand and comply with this Anti-fraud, Bribery and Corruption policy. To ensure that this is communicated, the College publishes this policy on the staff intranet and on its website and communicates its importance through In Touch briefings to all staff.

Reporting fraud

21. The College encourages and expects all staff and third parties working on our behalf to report incidents of suspected fraud, bribery and corruption immediately. Any delay in reporting suspected fraud, bribery and corruption may result in further losses. Please refer to Appendix B for further details and guidance on how to report suspected fraud, bribery and corruption.

Staff reporting suspected fraud, bribery or corruption

22. In the first instance, staff should normally raise the concern with their line manager.

If:
 - the concern relates to a line manager, then staff should raise it with a Director
 - it relates to a Director; the concern should be raised with a Vice Principal.
 - the issue concerns a Vice Principal, the concern should be raised with the Principal/Chief Executive
 - it relates to the Principal/Chief Executive the concern should be raised with the Chair of the Governing Body
 - it relates to the Chair of the Governing Body the concern should be raised with the Chair of the Audit Committee.
23. Where staff have a difficulty in approaching their own manager, because there is a concern that either management are involved or may not take the matter seriously, they can directly contact the Chair of the Audit Committee or refer to the College's Whistleblowing policy.

Third parties reporting fraud

24. Third parties, including the general public, can report concerns through the College Complaints procedure which is available on the College's website. They can also report concerns directly to the Chair of the Audit Committee through the Governance Officer.

Investigating allegations of Fraud, Bribery and Corruption

25. The College's Fraud, Bribery and Corruption Response plan provides guidance to managers on the action to be taken should they receive an allegation of fraud, bribery or corruption. In normal cases it will be the relevant director, in conjunction with the Director of Finance and/or the Director of HR & OD, who will arrange for an investigation to be undertaken. Matters of a criminal nature will be reported to the Police. We will also notify other relevant agencies as appropriate.

Training

26. The College recognises that the success of this anti-fraud, bribery and corruption policy depends, to a large extent, on all governors, staff and third parties working on our behalf being aware of the College's approach to fraud, bribery and corruption.
27. Details of our Policy and Response plan are published on the intranet and website. In addition, mandatory fraud training will be provided to all governors and staff within three months of commencing employment with the College and will be repeated at least once every two years.

Monitoring fraud, bribery and corruption activity

28. The Audit Committee is responsible for reviewing the arrangements in place by which staff may raise concerns about possible improprieties. As part of this, the Audit Committee will approve the Anti-Fraud, Bribery and Corruption policy and Fraud, Bribery and Corruption Response plan. The Committee will also, on an annual basis, review the Fraud, Bribery and Corruption Register and the Gift and Hospitality Register.
29. Any action taken by the College in connection with suspected fraud, bribery or corruption will be reported to the Audit Committee.

Key Prevention Measures and Supporting policies

30. This anti-fraud, bribery and corruption policy is supported by the following policies and procedures which form a key part of our prevention measures:-
 - Core values and behaviours
 - Code of Conduct
 - Whistleblowing policy (Public Interest Disclosure)
 - Gifts and hospitality procedure
 - Disciplinary policy and procedures
 - Fraud, bribery and corruption response plan
 - Standing Orders and Financial Regulations
 - Procurement procedures
 - Recruitment and Induction procedures
 - Annual declaration of interest by Directors and Senior Post Holders

THE SEVEN PRINCIPLES OF PUBLIC LIFE

Underpinning the anti-fraud culture are the Seven Principles of Standards in Public Life, also known as the 'Nolan' Principles.

The principles apply equally to governors, staff and third parties working on our behalf, and are as follows: -:

Selflessness - holders of public office should take decisions solely in terms of the public interest. They should not do so to gain financial or other material benefits for themselves, their families or friends.

Integrity – holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their official duties.

Objectivity – in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards or benefits, holders of public office should make choices on merit.

Accountability – holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever public scrutiny is appropriate to their role.

Openness – holders of public office should be as open as possible about all the decisions and actions they take. They should give clear reasons for their decisions and restrict information only when the wider public interest (or legislation) demands.

Honesty – holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership – holders of public office should promote and support these principles by leadership and example.

FRAUD, BRIBERY AND CORRUPTION RESPONSE PLAN

Introduction

1. In line with the College's commitment to the prevention of fraud, bribery and corruption this Fraud Response Plan is intended to provide direction and help to all governors, staff and third parties and members of the public who wish to raise their concerns about suspected fraud.
2. The Plan gives a framework to follow in responding to allegations of fraud, bribery or corruption and provides information that allows evidence to be gathered and collated in a way which facilitates informed initial decisions, while ensuring that evidence gathered will be admissible in any future criminal or civil actions.

Definitions

1.FRAUD

Under the Fraud Act 2006 the criminal offence of fraud can be committed in three ways:

by false representation,
by failing to disclose information, and by
abuse of position.

The Act also includes offences for obtaining services dishonestly and of possessing, making and supplying articles for use in fraud.

2.BRIBERY AND CORRUPTION

Bribery is defined as the offering, promising, giving, accepting or soliciting of money, a gift or other advantage as an inducement to do something that is illegal or a breach of trust in the course of carrying out an organisation's activities

The Bribery Act 2010 provides the four main offences:

- giving or offering a bribe
- receiving or requesting a bribe
- bribing a foreign public official (also known as facilitation payments)
- negligently failing to prevent a bribe (corporate offence).

3. Examples of bribery include:
 - A potential supplier offering money or a gift in order to influence a tendering process
 - A job applicant offering a reward to increase his/her chance of being offered employment
 - A learner offering a reward to influence a decision on an assessment

4. As far as the College is concerned, fraud is the act of depriving the College or a third party of something by deceit, whether by theft, misuse of funds or other resources, or by more complicated crimes like misrepresentation, impersonation, false accounting and the supply of false information.

Typically, fraud is likely to fall into one of the following categories:

- System issues – where an individual deliberately falsifies records, or manipulates data in order to circumvent the College's framework of internal controls (for example, the submission of false claims for expenses).
- Financial issues – where individuals or companies have fraudulently obtained money from the College (for example, fraudulent invoices for work not done).
- Property and Equipment issues – where College property and equipment is used for unauthorised personal use.
- Resource issues – where there is a misuse of resources (for example, theft of cash or materials).
- Recruitment issues – where an individual falsifies an application for employment.
- Other issues – these include activities which are unlawful; contrary to College policies; which fall below established standards or practices; or improper conduct (for example, receiving inappropriate hospitality; or abuse of position for personal gain).

5. The Anti-Fraud Policy is supported by HR and Finance policies and procedures

What staff should do if they suspect fraud

6. Staff are encouraged and, indeed, expected to raise any concern that they may have, without fear of recrimination ('whistle-blowing'). To facilitate this, the College has a Public Interest Disclosure (Whistleblowing) Policy. Any concerns raised will be treated in the strictest confidence and will be properly investigated.
7. Staff are often the first to spot possible cases of fraud or corruption at an early stage. Staff should not try to carry out an investigation themselves. This may damage any subsequent enquiry.
8. In the first instance, staff should normally raise the concern with their line manager. If the concern relates to a line manager, then staff should raise it with a director, and if it relates to a director, the concern should be raised with a Vice Principal. If the issue concerns the Vice Principal then the Principal/Chief Executive. If the issue concerns the Principal/Chief Executive, the concern should be raised with the Chair of Governors, and if it relates to the Chair of Governors the concern should be raised with the Chair of the Audit Committees.
9. Where staff have a difficulty in approaching their own manager, because there is a concern that either management are involved or may not take the matter seriously, they can contact, through the Governance Officer, the Chair of the Audit Committee or the Chair of Governors. They can also use the Public Interest Disclosure Policy.

What should a third party do if they suspect fraud

10. Third parties, including the public, can report concerns through the College's corporate complaints procedure which can be found on the website. They can also report concerns direct to College members or staff, who will escalate the concern in line with the Anti-Fraud, Bribery and Corruption Policy and Response Plan.
13. In the event that a person feels unable to raise their concerns direct with the College, they may contact the College's internal or external auditor, whose name and address can be found in the College's published accounts.
14. Anyone concerned about a wrongdoing that threatens the public interest can seek free, confidential legal help from the charity 'Public Concern at Work'. They operate a helpline on 0207 404 6609, and can be emailed at helpline@pcaw.co.uk. Reporting a suspected fraud
15. Speaking out against acts of fraud is not easy. The College will take every precaution to protect an individual's identity when raising a concern if he or she does not want their name to be disclosed. Whilst every possible effort will be taken to protect an individual's identity it must be appreciated, however, that the investigation process may reveal the source of the information and a statement by the individual may be required as part of the evidence.
16. The College encourages individuals to put their names to allegations. Concerns expressed anonymously are much less powerful, but they will be considered at the discretion of the College, taking into account the seriousness of the issues raised; the credibility of the concern; and the likelihood of confirming the allegation from other attributable sources.
17. If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the person raising the concern. If, however, the allegations are malicious or vexatious, action may be taken against the person making the allegation.
18. During an investigation, staff should not voice their concerns to the press or media without the consent of the Principal/Chief Executive and VP (Resources & Planning). To do so could jeopardise the investigation process, result in compensation claims should the suspicion/allegation prove to be unfounded and generate disproportionately negative publicity for the College.
19. Where appropriate the College will ensure that the person raising the concern is kept informed of the investigation and its outcome.

What should a manager do when a suspicion is reported to them?

20. Any manager who has received information about a suspected fraud or a suspicion of corruption must report it immediately to the Director of Finance and relevant director who will, where appropriate, ensure that the Principal/Chief Executive and VP (Resources and Planning) are informed.
21. The relevant director, in conjunction with the Director of Finance, should satisfy themselves that there are reasonable grounds for the suspicion, and arrange for an investigation to be undertaken. The investigation should be assigned to a person with appropriate experience or qualifications. At this point the Director of HR & OD should be notified of the investigation. Any decision to refer the matter to the Police will be

made in consultation with the Principal/Chief Executive and VP (Resources & Planning).

22. The Director of Finance will log reports of suspected/actual frauds in a central Fraud Register.
23. Management should take immediate action to prevent further loss, and should take steps to safeguard any evidence.
24. The investigating officer should retain securely any relevant documentation, in its original format - it should not be written on or altered in any way. Preserving documents in plastic wallets is recommended. Other items or equipment relevant to the investigation must be safeguarded without any alteration to their original condition, for example, personal computers and any records thereon.
25. The final outcome of an investigation could result in a court appearance. It is therefore important that the investigation can withstand the rigours of cross examination. Evidence is crucial, and the investigating officer should preserve evidence in a legally admissible form.
26. A detailed record of the investigation should be maintained. This should include a chronological file recording details of telephone conversations, discussions, meetings and interviews, details of documents reviewed, and details of any tests and analyses undertaken.
27. All interviews should be conducted in a fair and proper manner. Where there is the possibility of criminal prosecution, advice should be sought from the police to ensure that the requirements of the of the Police and Criminal Evidence Act (PACE) are met. The investigating officer should seek advice from the Director (HR &OD) before undertaking any interviews.
28. The Director (HR & OD) will provide advice on the action needed to secure any cash and evidence, and will advise on disciplinary procedures, particularly where it may be necessary to suspend staff.
29. No information should be divulged to anyone other than the small group of senior managers who are directly involved in managing the investigation.
30. No information should be divulged to the press or media. Responsibility for divulging information to the media will be taken by the relevant director, in consultation with the Principal/Chief Executive, through the College's marketing team.

Providing feedback on fraud investigations

31. Within ten working days of a concern being raised, the relevant director or investigating officer will contact the person who raised the concern, to indicate how the matter will be dealt with.
32. The College recognises that those people who report suspected fraud or corruption need to be assured that the matter has been properly addressed. Therefore, subject to legal constraints, they will receive information about the outcome of any investigation, including action taken to improve controls and so mitigate the threat of future fraud.

33. The VP (Resources & Planning) will distribute details of lessons learned from the fraud investigation, where there may be implications for the organisation as a whole.









Internal Audit

34. It is a management responsibility to maintain systems and to ensure that resources are applied properly on approved activities. This includes responsibility for the prevention and detection of fraud and other illegal acts. The Internal Audit service shall have regard to the possibility of such wrongdoing and should seek to identify serious defects in internal control which might permit the occurrence of such events. The VP (Resources & Planning) should advise the internal audit provider of any discovery or suspicions of fraud. Likewise the internal audit provider should notify the Director of Finance and VP (Resources & Planning) in the event of internal audit staff discovering evidence or suspicion of fraud.

ANTI FRAUD BRIBERY AND CORRUPTION

A Quick Guide to Reporting a Concern

Do you have concerns about fraud, bribery or corruption taking place in the College?

DO	DON'T
 <p>Note your concerns - record details such as your concerns, names, dates, times, details of conversations, photographs, screenshots, emails other media sources and possible witnesses. Time, date and sign your notes</p>	 <p>Confront the suspect or convey concerns to anyone other than those authorised Never attempt to question a suspect yourself; this could alert a fraudster or accuse an innocent person</p>
 <p>Retain evidence - retain any evidence but only if you fear that may be destroyed, or make a note and advise your line manager or appropriate person</p>	 <p>Try to investigate or contact the police directly Never attempt to gather evidence yourself unless it is about to be destroyed; gathering evidence must take into account legal procedures in order for it to be useful</p>
 <p>Report your suspicion Your confidentiality will be respected – delays may lead to further financial loss</p>	 <p>Be afraid of raising your concerns The Public Interest Disclosure Act 1998 protects employees who have reasonable concerns; you will not suffer discrimination or victimisation by following the correct procedures</p>
 <p>Stay calm</p>	 <p>Do not use the process to pursue a personal grievance.</p>

How can I report suspected fraud, bribery or corruption taking place in the College?

In the first instance, you should normally raise the concern with your line manager.

BUT if:

- the concern relates to your line manager, then you should raise it with a Director
- it relates to a Director; the concern should be raised with a Vice Principal.
- the issue concerns a Vice Principal, the concern should be raised with the Principal/Chief Executive
- it relates to the Principal/Chief Executive the concern should be raised with the Chair of the Governing Body
- it relates to the Chair of the Governing Body the concern should be raised with the Chair of the Audit Committee.

