

POLICY OWNER:  
FINAL APPROVAL BY:

Chief Finance Officer  
Governing Body

Policy Category:

Corporate

**1. Introduction, Purpose and Scope of Policy:**

- 1.1 Morley College London is committed to maintaining the highest standards of integrity and ethical behaviour and has a duty to its stakeholders to take all reasonable steps to prevent fraud, corruption and bribery occurring, whether perpetrated by staff, students, members of the Governing Body, contractors and suppliers, other organisations or members of the public.
- 1.2 The College has zero tolerance for fraud, corruption and bribery. This policy is designed to establish guidelines and procedures to safeguard the College's resources, reputation and relationships.

**2. Equality and Diversity Analysis Screening:**

- 2.1 In accordance with the College's Equality and Diversity Policy, the development of this policy complies with the Equality Act 2010 in ensuring due regard to eliminating discrimination, advancing equality of opportunity and fostering good relations.
- 2.2 This policy applies equally to all staff and students. (e s)-1.7dp BDC 0.001 Tc -0.001 Tw -2.585 -1.787 Td(2.h(our)6.2 (b0-c6

Computer fraud is where information technology (IT) equipment has been used to manipulate or destroy computer programmes or data or where the existence of an IT system was a material factor in the perpetration of fraud (e.g. by creating, altering, substituting or destroying files or records).

4.2

The offering, giving, soliciting or accepting of reward which may influence the action of any person.

4.3

In accordance with the Bribery Act 2010, bribery is where someone requires, gives or promises financial (or other) advantage with the intention of inducing or rewarding . Improper performance is a key concept and generally means where an individual does not act in good faith, impartially and/or properly.

## **5. Statutory and regulatory requirements:**

5.1 This policy is in compliance with all relevant legislation related to anti-fraud, corruption and bribery, including but not limited to: the Fraud Act 2006, the UK Bribery Act 2010, the Theft Acts 1968 and 1978, the Proceeds of Crime Act 2002 the Computer Misuse, Act 1990 and the Money Laundering Regulations 2007.

5.2 The College is obliged to notify, through the Chief Finance Officer (CFO), the Education and Skills Funding Agency (ESFA) if fraud is deemed 'significant', where:

- x the gross amount of the loss (that is before any insurance claim) is in excess of £5,000
- x there is likely to be public interest because of the nature of the fraud or the people involved, especially when the fraud is committed by a governor or senior employee, regardless of the amount
- x the particulars of the fraud are novel or complex
- x the fraud is systematic or unusual in nature

## **6. Policy Objectives:**

6.1 This policy sets out to create an awareness of fraud, corruption and bribery and to support staff to bring suspected acts to the Colleges attention.

6.2 It provides a response plan for the reporting and investigating of fraud, corruption and bribery, to ensure that alleged and proven fraud are dealt with in a consistent and timely manner.

## **7. Policy Statement**

7.1 The College does not tolerate any form of fraud, corruption or bribery and is committed to taking all reasonable measures to prevent such from occurring.

7.2 The College will maintain robust control mechanisms to both prevent and detect fraud, corruption and bribery. All members of staff have a responsibility to protect the assets and reputation of the College and expected to be alert to the potential for fraud, corruption and bribery.

7.3 Mechanisms are in place for staff to report suspected fraud to College Leadership and in confidence, as outlined in [Annex A: Fraud Response Plan](#).

7.4 All staff have a responsibility to be aware of fraud and to take steps to minimise risk of theft to the College. To this end staff should be aware of the Public Interest Disclosure

(Whistleblowing) Policy. Any actual or suspected incidents of fraud should usually be reported to the Chief Finance Officer in the first instance, however, where there is any concern that Senior Management may be directly or indirectly involved in a potential fraud the Public Interest Disclosure (Whistleblowing) Policy should be invoked.

- 7.5 This policy is not intended to prohibit appropriate corporate entertainment and/or hospitality undertaken in connection with the College's business activities, provided the activity is customary under the circumstances, is proportionate, and is properly recorded/disclosed to the College in accordance with its procedures.

## **8. Gifts and Hospitality**

- 8.1 It is foreseeable that staff may receive unsolicited gifts and hospitality. Where corporate hospitality is received in the normal course of business it should be recorded and disclosed in accordance with the College's procedures.

The prevention and detection of fraud and theft is made possible by having strong internal controls constantly applied. Routine checks and monitoring by management to ensure that procedures are being followed are, therefore, essential especially in those areas where risk of fraud and theft is greatest.

9.3

Proper and consistently applied procedures play an important part in preventing fraud and theft. The College expects that suspicions about fraud and theft will be reported and investigated. The College's response plan, annexed to this policy, must be implemented when fraud is suspected.

#### **10. Communication and Training:**

10.1 This policy will be published on the College website and intranet. Training will be provided to staff highlighting the importance of acting ethically in the best interests of the College, and of requirements to disclose potential related party transactions, be they with suppliers or college staffing matters such as appointments and appraisal.

#### **11. Monitoring and Reporting:**

11.1 This policy will be approved by the Governing Body on the recommendation of the Audit Committee.

11.2 The Audit Committee shall be responsible for overseeing this policy and ensuring that, subject to compliance with any directions from the ESFA, all allegations of fraud are properly investigated.

## **Annex A: FRAUD RESPONSE PLAN**

### **Purpose**

This response plan provides a documented framework for staff to follow if fraud or theft is suspected or reported.

It seeks to ensure that in the event of fraud or theft timely and effective action is taken to prevent further losses, identify fraudsters, safeguard evidence, minimise adverse effects on the College and learn lessons.

### **Reporting fraud & theft**

All actual or suspected incidents of fraud and theft should be reported without delay to the Chief Finance Officer, who will normally be the Investigating Officer. Where the Chief Finance Officer is suspected of fraud or theft the report should be made to the Director of Governance and Company Secretary, who will be the Investigating Officer in those circumstances.

When reports of fraud or theft are made, the suspicions will be treated seriously, and all details provided will be recorded accurately and in a timely manner. The decision by someone to report a suspected fraud may be traumatic for them, and those reporting fraud are assured that all information will be treated in the strictest confidence.

Anonymity will be preserved where it is reasonably practicable to do so.

The Investigating Officer will be responsible for liaising in a timely manner with the Principal, the Chair of the Audit Committee, and Internal Auditors.

At this stage, management should take steps to prevent further losses, for example by suspending payments without compromising evidence or alerting the alleged fraudsters.

All significant incidents of fraud should be reported to the DfE/ESFA and to the Charity Commission. Significant fraud is an incidence that has a significant effect on the operation of the College and adverse effects on its beneficiaries. The College is transparent with its auditors and would seek their advice before further reporting. All incidences of fraud should be disclosed in the College's annual statement of Regularity and Propriety.

### **Initial enquiry**

On receiving details of a suspected theft or fraud, the Investigating Officer will undertake an initial review of the further action that will be required, liaising in a timely manner with the Principal and Internal Audit. The further action may include referral to:

- x the Chief People Officer: fraudulent activity is a breach of contract and where there are reasonable grounds for suspicion, then suspension of the suspects may be required pending the outcome of enquiries. It may be necessary to plan the timing of suspension to prevent the suspects from accessing, destroying or removing evidence. The rights of staff on suspension (such as the right to union representation) must be acknowledged and staff must be informed of the reason for their suspension.
- x the Internal Auditors
- x Metropolitan Police: delays in contacting the Police may prejudice the gathering of evidence and future enquiries.



Director of Governance and the internal auditors. Where necessary, reports should be provided to the relevant Funding Body.

The scope of the report should include: quantification of losses; progress on recovery action and criminal prosecution; progress with disciplinary action; actions taken to prevent and detect similar incidents; next steps.

### **Concluding an investigation**

At the end of the investigation, irrespective of the outcome, it is important to review the position and see what lessons can be learned. Such reviews will help identify any weakness in internal control that initially led to the fraud and should highlight any deficiencies that should be addressed.

On completion, the Investigating Officer should submit a report to the relevant Funding Body. The report should be submitted to the relevant Funding Body within 10 working days of completion of the investigation.





