



Anti-Fraud and Corruption Policy

Policy / Procedure	Anti-Fraud and Corruption Policy
Responsibility	Zoe Lewis Deputy Principal - Corporate Services
Who is affected	All staff.
Number of Pages	9.

Impact Assessed	31 October 2011	<ol style="list-style-type: none"> 1. Age 2. Disability 3. Gender Reassignment 4. Marriage and civil partnership 5. Pregnancy and maternity 6. Race 7. Religion or belief 8. Sex and sexual orientation
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Approved by the Audit Committee	6 December 2011.	
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Review Date	24 months.	



Anti-Fraud and Corruption Policy

1 Introduction

This document details Middlesbrough College's policy towards detected or suspected acts of fraud, bribery, corruption or other irregularity whether relating to employees, Governors and / or External Members, students, suppliers, contractors, sub-contractors, partners or any other related third party.

The College receives the majority of its funding from public funds and one of the basic principles governing its actions is the proper use of public money.

2 Values

Three fundamental values underpin the College's activities and these are:

Accountability

Everything done by those who work in the College must be able to withstand comprehensive scrutiny.

Probity

Absolute honesty and integrity should be exercised in dealing with learners, Governors / External Members, staff, assets and third parties.

Openness

The College's activities should be sufficiently open and transparent to promote confidence between the College and its learners, Governors / External Members, staff and any other interested third party.

All employees, Governors and External Members should be aware of, and act in accordance with, these values.

3 The College's Policy

In accordance with these values, Middlesbrough College is committed to maintaining an honest, open and well-intentioned atmosphere within its working environment. It is, therefore, also committed to the prevention and elimination of wrong-doing within its sphere of operation and to the rigorous investigation, and taking of any action required, in such cases.

The College will not tolerate any form of fraud, corruption, act of bribery or any other forms of irregularity.

The College wishes to encourage anyone having reasonable suspicions of suspected or actual fraud, malpractice, abuse, corruption or act of bribery to report them to their line manager, to the Principal / Chief Executive or via the College's 'Whistleblowing' Procedures (Public Interest Disclosure Procedure).

It is the College's policy, which will be rigorously enforced, that no learner, employee, Governor or External Member should suffer as a result of reporting reasonably held suspicions. For the purposes of this policy "reasonably held suspicions" shall mean any suspicions other than those which are groundless and raised maliciously.

4 Responsibilities

The College Leadership Team and the Governing Body are responsible for

- developing and maintaining effective, efficient and visible controls to prevent and minimise the risk of fraud, bribery or corruption e.g. segregation of duties, proper authorisation of expenditure etc.
- producing a clearly defined and publicised Anti-Fraud and Corruption Policy (i.e. this document) which applies to everyone in, or involved with, the College and encourages open reporting of concerns.
- ensuring that all staff, Governors and External Members of the Governing Body is aware of their duties and the required standards of conduct.
- ensuring that all relationships with third parties (students, suppliers, contractors, sub-contractors, partners or any other related third party) are conducted on a basis that is compliant with the provisions of the Bribery Act 2010.
- 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.
- carrying out vigorous and prompt investigations if suspicion of an act of fraud, bribery corruption or irregularity occurs.

- taking or instigating appropriate legal and / or disciplinary action against perpetrators of fraud, bribery or corruption and taking disciplinary action against supervisors / managers where supervisory failures have contributed to the breach.
- reporting the outcome of any such investigations to the appropriate officers and authorities.

The Assistant Principal - Finance is the named officer responsible for fraud prevention and is also responsible for carrying out an annual risk assessment of fraud, bribery and corruption risk, reported to the Risk Management Group.

The College reserves the right to prosecute those suspected of acts of fraud or bribery.

The College's College Leadership Team, advised by its Internal Auditors, is responsible for

- identifying the risks within systems and procedures.
- developing and maintaining effective controls to prevent and detect fraud or acts of bribery.
- ensuring that policies and controls are reviewed, updated and complied with.

The Audit Committee reporting to the Governing Body should ensure that its Terms of Reference in relation to fraud are strictly adhered to and that requirements under the Audit Code of Practice (sections 97 – 101) be followed should such a situation arise.

College staff are responsible for

- acting with propriety in all College activities. This includes the handling and use of any funds, monies, stock or assets, dealing with students, Governors, External Members, contractors or suppliers, sub-contractors or partners or any other aspect of College business.
- ensuring that they do not request, accept, or agree to receive, gifts, hospitality or benefits of any kind from any third party which might be seen to compromise their personal judgement or integrity or infringe the Bribery Act 2010. Employees should refer to the College's Gifts and Hospitality Policy for further information.
- ensuring that they do not offer, promise or give any form of bribe to obtain or retain business.
- communicating their concerns as appropriate.

- adhering to any relevant policies regarding confidentiality as included in the College's Staff Handbook and any other relevant regulations, protocols and procedures regarding their behaviour and conduct.
- co-operating fully with any investigation covered by this policy, whether conducted by the College's Internal Auditors or the Police etc.

5 Definitions

What is Fraud?

Fraud means the dishonest obtaining of property or obtaining some other personal advantage by deception and covers a number of specific offences, including

- obtaining the property of another.
- obtaining services from another.
- evading liability for payment.
- false accounting, including the destruction, concealment or falsification of any account or record or giving misleading, false or deceptive information.
- obtaining property by false pretences.
- cheating the public revenue.
- corruptly accepting or obtaining any gift or other consideration as an inducement for doing or refraining from doing anything in relation to the business of the organisation, or for showing favour.

In law, the term 'fraud' is a generic one used to describe offences of theft where some form of "*trick*" is involved. There is no actual offence of fraud and charges are generally brought under the many sections of the Theft Acts, or the Forgery and Counterfeiting. Criminal deception is a serious offence and carries a maximum sentence of seven years' imprisonment.

A key element of fraud is deception or concealment, which may be achieved by

- unauthorised input, alteration, destruction or misappropriation of data or other records.
- inappropriate transactions with suppliers (e.g. resulting from undisclosed favours received / expected).
- deliberate misrepresentation of facts or manipulation of management information or records, including personal expenses.

Fraud is distinct from accidental error or negligence. Fraud may involve one or several people, from either within and / or external to the College, in collusion with each other. This includes corruption.

What Is Corruption?

Corruption is a specific type of fraud and involves “The offering, giving, soliciting or acceptance of any inducement or reward which may influence the action of any person”

Corruption involves two or more people.

What is Bribery?

The Bribery Act 2010 defines four key offences of bribery:

- A general offence of offering, promising or giving a bribe.
- A general offence of requesting, agreeing to receive, or accepting a bribe.
- A distinct offence of bribing a foreign public official to obtain and/or retain business.
- Failure of a corporate body to prevent bribery by an associated person, for the organisations benefit.

Generally a bribe is defined as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so.

What is an Irregularity?

An irregularity may be any significant matter or issue, other than fraud or corruption, which is so defined and prescribed by the Audit Committee as to fall within the general principles of this policy and which may warrant consideration or investigation under the related Fraud and Corruption Response Plan.

An example of an irregularity, for example, may be where a member of staff makes a genuine error or mistake in the course of their duties / responsibilities, but where this error or mistake is subsequently hidden from the College, perhaps to the on-going detriment to the College. Additionally, an irregularity may also involve consideration of the possible inappropriate use of College funds or assets, but which may not technically constitute fraud or corruption.

8 Computer Misuse

Fraud or corruption can be, and increasingly is being, carried out using computers. Misuse of computers and their programs (i.e. software) are specifically covered by the Computer Misuse Act 1990.

A person is guilty of such an offence if, with intent, they access any program or data held on a computer which they are not authorised to access and / or they cause unauthorised modification to the contents of the computer such that the operation or access to the computer or program is hindered. Unauthorised disclosure of any personal data held on computers may also result in an offence under the Data Protection Acts 1984 and 1998.

Please refer to the Staff Computer Acceptable Use Policy for further information.

9 Confidentiality

Employees, Governors and / or External Members must not disclose details of any suspected fraud or malpractice to anybody except their line manager, the Principal / Chief Executive or any other person that the College Leadership Team / Governing Body nominates or specifies under the terms of the College's Public Interest Disclosure (i.e. 'Whistleblowing') Procedure.

This assumes that those officers are not the subject of any allegations. If any of those named officers are the subject of allegations then the Chairman of the Audit Committee should be contacted.

Employees must not make available any documentation concerning the case under review to anybody. If information must be released, the express permission of the Principal / Chief Executive or the Chairman of the Audit Committee must be obtained. This includes any other member of staff, Governor or External Member, contractors etc.

If the matter has been referred to the police, documents must only be released to the police via the Principal / Chief Executive or the Chairman of the Audit Committee, or their nominated representative.

Under no circumstances must an employee, Governor or External Member communicate with Members of the press, radio or to another third party about a suspected act of fraud / corruption / irregularity.

Similarly, no employee or Governor or External Member should notify anyone they suspect of fraud, irregularity or corruption.

10 Involving the Police

Anyone suspecting fraud should not, under any circumstances, attempt to carry out their own investigations.

Decisions regarding the appropriate form of any investigation must only be taken by the Principal / Chief Executive in consultation with the Chairman of the Audit Committee. Any investigation should only be carried out by competent persons.

A separate, confidential Fraud and Corruption Response Plan sets out these arrangements in more detail. Only the Principal / Chief Executive, the Chairman of Governors Body and / or the Chairman of the Audit Committee, on advice from the Internal Auditors, have authority to involve the Police.

11 Public Interest Disclosure

Nothing in this policy shall be taken to override or supersede the College's policy set out in its Public Interest Disclosure (i.e. 'Whistleblowing') Procedure. Related Documents - This document is one of a series that, together, constitute the policies of the College in relation to anti-fraud and corruption and the other documents are

- Financial Regulations.
- Public Interest Disclosure Procedure (Whistleblowing Policy).
- Disciplinary Policy.
(including procedures relating to searching / accessing emails, desks, offices etc)
- Gifts and Hospitality Policy.
- Register of Interests Policy.
- Code of Conduct.
- Human Rights Act / RIPA Compliance Policy.
- Fraud & Corruption Response Plan.

Consideration should also be given to the requirements of the Learning and Skills Council's Audit Code of Practice relating to fraud and corruption.

Notes for implementation

- This should be a distinct document, not “hidden” within other procedures.
- The policy statement should be widely disseminated in the Staff Handbooks on the College’s Staff portal / Governors’ Website / Blackboard etc.
- This document also separates out the Fraud and Corruption Response Plan arrangements which are not usually public consumption but which are meant for management advice and direction.
- Consideration should be given to ensuring that other standard documentation makes reference to anti-fraud, bribery and corruption policy i.e. contracts of employment; supplier contracts; policies and procedures etc.