



## 1. POLICY STATEMENT

One of the basic principles of public sector organisations is the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk of a means of enforcing the rules against fraud and other illegal acts involving dishonesty. For simplicity all such offences are hereafter referred to as "fraud", except where the context indicates otherwise. This document sets out the College's policy and response plan for detected or suspected fraud.

The Corporation already has procedures in place that reduce the likelihood of fraud occurring. These include the College's Financial Regulations, documented procedures and a system of internal control and a system of risk assessment. In addition the Corporation aims to ensure that a risk (and fraud) awareness culture exists in the College.

This document sets out the College's Anti-Fraud and Corruption (including Bribery) Policy and provides direction and help to those Officers and Directors who find themselves having to deal with suspected cases of fraud or corruption. It gives a framework for a response and advice and information on various aspects and implications of an investigation.

- Section 2 – sets out the College Policy
- Section 3 – sets out the roles and responsibilities of the senior leadership team and staff of the College in relation to reported fraud
- Section 4 – is the response plan that the College will follow where a fraud is reported
- Section 5 – sets out the options available to the College in choosing how to investigate a fraud

## 2. THE CORPORATION'S POLICY

The Corporation is committed to maintaining an honest and open atmosphere within the College. It is therefore also committed to the elimination of any fraud within the College and to the rigorous investigation of any such cases.

The College will not tolerate fraud, abuse, corruption or bribery.

The College expects anyone having reasonable suspicions of suspected or actual fraud, malpractice, abuse, corruption or act of bribery to report them to their line manager, the Principal or via the College's 'Whistleblowing' (Public Interest Disclosure) Policy.

It is the College's Policy, which will be rigorously enforced, that no learner, employee, Corporation Member 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.

## 3. ROLES AND RESPONSIBILITIES

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. Staff shall make available any relevant records or information to the Executive Director – Finance & Estates or representative in connection with the carrying out of their duties of implementation of the College's financial policies and system of financial control.

The Corporation Board and the 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;
- producing a clearly defined and publicised Anti-Fraud and Corruption (including Bribery) Policy which applies to everyone in, or involved with, the College and encourage open reporting of concerns;
- ensuring that all staff, Corporation Members and External Members are aware of their duties and the required standards of conduct;



- ensuring that all contractors, sub-contractors and any agents or third parties acting on behalf of or representing Tameside College in any way, are aware of this Policy and the College's "zero tolerance" of any acts of fraud, corruption or bribery;
- protecting and supporting against harassment or victimisation 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 fraud, corruption or bribery is raised;
- taking or instigating appropriate legal and/or disciplinary action against perpetrators of fraud, corruption or bribery and taking disciplinary action against supervisors/managers where supervisory failures have contributed to the commission of such acts;
- reporting the outcome of any such investigations to the appropriate authorities.

Executive Director – Finance & Estates is the named officer responsible for the proper implementation of this Policy.

The College reserves the right to prosecute those suspected of fraud, corruption or bribery and the College's Senior Leadership Team, advised by the Internal Auditors, 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.

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 2019 to 2020 are followed should such a situation arise.

Members of College staff are responsible for:

- acting with propriety in all College activities. This includes the handling and use of any funds / monies, dealing with learners, Corporation Members, External Members, contractors, sub-contractors or suppliers or any other aspect of College business;
- 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 Gifts & Hospitality Policy;
- communicating their concerns as appropriate within College procedures;
- 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 Management, the Internal Auditors or the Police etc.

#### 4. THE RESPONSE PLAN

##### Introduction



Under no circumstances should a member of staff other than the Principal, speak or write to representatives of the press, TV, radio, or to another third party about a suspected fraud as care needs to be taken to ensure that nothing is done that could give rise to an action for slander or libel.

In some cases e.g. if a major diversion of funds is suspected, speed of response will be crucial to avoid financial loss.

### **Reporting Fraud**

The Executive Director – Finance & Estates shall be immediately notified whenever any matter arises which involves or is thought to involve irregularity, including fraud, corruption or any impropriety. The Executive Director – Finance & Estates shall notify the Principal, internal auditors and the Audit Committee (through the Chairman for the time being of the Committee) of the suspected irregularity and shall take such steps as he/she considers necessary by way of investigation and report.

The Principal shall inform the police if a criminal offence is suspected of having been committed.

Any significant cases of fraud or irregularity shall be reported to the funding bodies. A fraud or irregularity is significant where one or more of the following factors are involved –

- the sums of money are in excess of £10,000
- the particulars of the fraud are novel or complex
- there is likely to be great public interest because of the nature of the fraud or the people involved.
- the fraud is systematic or unusual in nature

The Audit Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate.

The internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspicion of fraud is thought to involve a member of the Leadership Team, the member of staff shall notify the Chairman of the Corporation and the Chairman of the Audit Committee direct of their concerns regarding irregularities.

Time may be of the utmost importance to prevent further loss to the College.

### **The Clerk to the Corporation records details immediately in a log.**

The log will contain details of all reported suspicions, including those dismissed as minor or otherwise not investigated. It will also contain details of actions taken and conclusions reached. This log will be reviewed by the Audit Committee at least once a year, which will report any significant matters to the Board.

### **Informing the Board, internal audit, external audit and police**

The Executive Director – Finance & Estates shall inform and consult the Principal and the Audit Committee at the first opportunity in all cases. Financial Regulations should include this requirement in line with this response plan. The internal auditors should also be informed immediately.

If a criminal act is suspected, particularly fraud or corruption, it is essential that there is the earliest possible consultation with the police. In any event the police should be contacted before any overt action is taken which may alert suspects and precipitate the destruction or removal of evidence. This includes taking action to stop a loss or tighten controls.

## **5. MANAGING THE INVESTIGATION**



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### **Appointment of a Manager to oversee the investigation**

A member of the College management team will manage the investigation unless it involves a member of the executive team. In this instance the college internal auditors will be contacted.

### **Diary of Events**

The Manager overseeing the investigation (referred to hereafter as the investigation manager) should initiative a Diary of Events to record the progress of the investigation.

### **Does it appear a criminal act has taken place?**

In some cases of course this question may be asked more than once during an investigation. The answer to the question obviously determines if here is to be fraud investigation (or other criminal investigation). In practice, it may not be obvious if a criminal act has taken place. If a criminal event is believed to have occurred the police, external audit and the Board should now be informed if this has not already been done.

### **Investigate internally**

If it appears a criminal act has not taken place, the next step should be an internal investigation to determine the facts, what, if any, disciplinary action is needed, what can be done to recover a loss and what may need to be done to improve internal control to prevent the event happening again.

Broadly, where no criminal act has taken place the event could have three outcomes. The most serious would be where it is decided there was gross misconduct, this could involve dishonesty but not with a criminal intent. The outcome is likely to be dismissal if a member of staff is involved. Less serious would be if it was decided that there was negligence or an error of judgement that caused the event. This is unlikely to lead to dismissal but might involve disciplinary procedures. Finally, it may be concluded there is no case for an individual to answer.

In each case the investigation manager should consider what can be done to recover any loss and whether anything should be done to improve control to prevent the event happening again.

### **Recovering a loss**

Where recovering a loss is likely to require a civil action, it will probably be necessary to seek legal advice. Where external legal advisors are used, the investigation manager must ensure there is co-ordination between the various parties involved. If the loss may be covered by insurance the investigation manager should consider what can be done to recover any loss and whether anything should be done to improve control to prevent the event happening again.

### **Disciplinary/Dismissal Procedures**

The disciplinary procedures of the College have to be followed in any disciplinary action taken by the College towards an employee (including dismissal). This may involve the investigation manager recommending a disciplinary hearing to consider the facts, the results of the investigation (a formal report) and take appropriate action against the employee.

## **GATHERING EVIDENCE**

### **Witnesses**

If a witness to the event is prepared to give a written statement, it is best practice for an experienced member of staff, preferably from Human Resources, to take a chronological record using the witness's own words. (The witness must



be happy to sign the document as a true record, but the involvement of an independent person usually helps to keep the statement to relevant facts).

### **Physical evidence**

Upon taking control of any physical evidence, it is very important that a record is made of the time and place it is taken. If evidence consists of several items, for example many documents, each one should be tagged with a reference number corresponding to the written record.

### **Principal to consider if suspect should be interviewed**

The Principal will consider the report (written or verbal) of the investigation manager and consider if the suspect should be interviewed. In this consideration he/she may consult others including the police. If a crime is suspected, it is recommended that the police are consulted before any interview with the suspect takes place.

## **INTERVIEW PROCEDURE**

### **Interview**

The requirements of the Police and Criminal Evidence Act (PACE) must be considered before any interview with a suspect is performed, since compliance with PACE determines whether evidence is admissible in criminal proceedings. If in doubt about the requirement of PACE it is important to take specialist advice.

### **Is evidence gathered sufficient for dismissal?**

Under UK employment legislation dismissal must be for a 'fair' reason. The manner of dismissal must also be reasonable. It is therefore important that no employee should be dismissed without close consultation with the Head of Human Resources.

The Principal should be consulted about the provision of references for employees who have been dismissed or who have resigned following suspicions of a fraud.

### **Review events with Police**

Whether or not the evidence gathered is thought sufficient for dismissal or prosecution, if there is evidence of fraud or another criminal offence, the Police should be consulted at this stage if they are not already involved.

### **Losses and Compensations Register**

Delegated limits for approving the writing off of losses and special payments are detailed in the Financial Regulations.

## **INSURANCE**

The possibility of recovering a loss through insurance should not be overlooked. There may be time limits for making a claim and in certain cases claims may be invalidated if legal action has not been taken.

## **MORE DETAILED INVESTIGATION**

It will be necessary to decide whether further investigation is required, and if so, by what means it should be undertaken. Consideration is given to the often conflicting objectives of maximising control and minimising cost.

Points of good practice for any investigation include:



1. Having an established line of communication with the local police or fraud squad.
2. Identifying a manager responsible for the investigation. The manager should be independent of the area under investigation.
3. Define the objectives of the investigation.
4. Define scope and timing of investigation and likely outputs.
5. Seek advice where necessary from such sources as police, internal and external audit, legal advisors.
6. Agree resources required for investigation.
7. Define responsibilities.
8. Budget and monitor resources used (costs and time).
9. Monitor progress and inform as required.
10. Consider lessons to be learned, e.g. how control can be improved.
11. Draw up an action plan based on lessons learned.
12. Keep proper records including a diary of events.

### INVOLVING THE POLICE

Audit Commission guidance states that fraud, including any suspected or attempted fraud should be reported to ActionFraud and external auditors. The College's Financial Regulations state that the police should be informed if a criminal offence is suspected of having been committed.

Subject to compliance with the above, it should be noted that some managers may mistakenly be reluctant to involve the Police in the belief that:

- they are only interested if the alleged criminal offence is greater than a specific £ value; or that the Police are not interested because of potentially complex issues involved that render little chance of a successful prosecution; or
- the College prefers to deal with the incident themselves, keeping it quiet while implementing dismissal and pursuing recovery through civil action; or
- that the Police want hard evidence before they will pursue investigations, but when it is provided they advise that the rules of evidence have not been complied with: or
- The disciplinary process has to wait behind a police prosecution.

Protracted internal investigations often unnecessarily delay involving the Police, thereby diminishing the value of cooperation with the Police. However, properly organised investigations, conducted by individuals with an inside working knowledge, will be of great assistance to any subsequent Police inquiry, and management should therefore not be discouraged from liaising with Police as soon as the issues involved are identified.

The decision to involve the police will include the following considerations:

1. The College's Financial Regulations.
2. Whether the investigation requires further resources to conclude.
3. The means to recover losses through civil actions.
4. Prosecution of the perpetrator(s) through criminal action.
5. Disciplinary action and dismissal of the perpetrator(s) (through formal disciplinary procedures).
6. Procedures for the preservation of evidence.
7. Management of public relations.
8. Potential seriousness of the malpractice.
9. Whether the malpractice is fraud.
10. Number and seniority of the persons involved.
11. Apparent complexity of the case.
12. Whether the malpractice is thought to be continuing.
13. Involvement of individuals or organisations outside the College.



14. Need to display deterrent action.

The Police will often be able to advise on how to draft a statement to the staff or the press.

#### **GUIDANCE TO STAFF ON FRAUD**

As part of the Corporation's programme to enact all the elements of current best practice in corporate governance, this document is approved by the Corporation as outlining the College's policy and advice to employees in dealing with fraud or suspected fraud or other illegal acts involving dishonesty or damage to property.

All staff have a responsibility to protect the assets of the College.

#### **THE CORPORATION'S POLICY**

The Corporation is absolutely committed to maintaining an honest and open atmosphere within the College, so as best to fulfil the objectives of the College. It is therefore also committed to the elimination of fraud within the College, to the rigorous investigation of any such cases, and where fraud or other criminal act is proven to ensure that wrong doers are appropriately dealt with. The College will also take appropriate steps to recover any assets lost as a result of fraud.

The Corporation expects anyone having reasonable suspicions of fraud to report them. The College's policy, which will be rigorously enforced, is that no employee should suffer as a result of reporting reasonably held suspicions.

The Corporation has therefore set in place procedures (in the form of Financial Regulations and procedure notes) designed to minimise the likelihood of the College being a victim of fraud, a response plan to be followed in the event of suspected fraud being reported, and these guidance notes issued to all staff.

#### **INSTRUCTIONS TO STAFF**

You should be assured that there will be no recriminations against staff who report reasonably held suspicions. Victimising or deterring staff from reporting concerns is a serious disciplinary matter. Any contravention of this policy may be reported to the Principal or Chair of the Corporation. Equally however, abuse of the process by raising malicious unfounded allegations will be regarded as a serious disciplinary offence.

If you believe you have good reason to suspect a colleague, student or other person of a fraud or an offence involving the College or a serious infringement of College rules examples could include:

- theft of College property;
- abuse of College property;
- deception or falsification of records (e.g. fraudulent time or expense claims)

In the first instance, you should discuss the matter with your line manager or a member of the Senior Leadership Team. If this is inappropriate, perhaps because of the seriousness of the allegations or because of who is believed to be involved, concerns should be raised with the Chair of the Corporation. The Chair of the Audit Committee should also be informed in all cases. Further detail on raising concerns is set out in the College code of practice on whistleblowing.

You can ask for advice first from the charity "Public Concern at Work" telephone 0207-404-6609. They can provide independent and confidential advice to you.

If you and the person to whom you report your concern decide between you that your suspicion may be justified, the matter will be reported to the Executive Director – Finance & Estates. The College will then follow the fraud response plan to investigate and take appropriate action.

# ANTI-FRAUD, CORRUPTION (INCLUDING BRIBERY) POLICY & INCIDENT RESPONSE PLAN



Under no circumstances should staff speak to representatives of the press, radio, TV or other third party as care needs to be taken to ensure that nothing is done that could give rise to an action for slander or libel.

Please be aware that time may be of the utmost importance to ensure that the College does not continue to suffer a loss.

## 6. LOCATION AND ACCESS TO THE POLICY

The Anti-Fraud, Corruption (Including Bribery) Policy & Incident Response Plan and supporting policies and other documents are available via SharePoint on the College network and the College website.

## 7. POLICY STATUS

Responsibility: Vicky Hayhoe, Executive Director Finance & Estates  
Approved by: Corporation  
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### Review/Change History:

Version	Description/Detail of Update & Name of Person who has carried out Update	Approval	Date of Issue
1	Reviewed by VH, submitted & approved by Audit Committee and Corporation	Overall – Corporation	September 2020