



Counter Fraud and Anti-Bribery Policy

Scope	This Policy applies to matters relating to the prevention, detection, investigation and, where appropriate, action in respect of fraud, irregularities, bribery and corruption.
Approval	Approved by the Audit Committee on 30 October 2015.
Due for Review	+1 year from last date of approval [currently under review]
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Key Contacts	University Secretary Director of Finance
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External regulator	Office for Students - Terms and Conditions of Funding
Links to other internal policies and procedures	Other relevant procedures include: <ul style="list-style-type: none">• Fraud Response Plan• Whistleblowing Policy & Procedure
Appendices	<ul style="list-style-type: none">• Appendix A – Examples of acts of fraud, bribery or corruption which are relevant to the HE Sector

Background

- 1 Under the Terms and Conditions of Funding between the Office for Students (OfS) and universities, every university is expected to have a robust and comprehensive system of risk management, control and corporate governance. This system should include the prevention and detection of fraud, irregularities, bribery and corruption.
- 2 Any losses to our University through fraud, irregularities, bribery and corruption will potentially reduce our ability to achieve our strategic goals. We expect all staff and governors to uphold high standards, leading by example, with integrity and responsibility.
- 3 The aims of this Counter Fraud and Anti-Bribery Policy are to:
 - (a) continue to promote a culture of honesty, integrity and professionalism;
 - (b) set out our responsibilities and of those working for us, or on our behalf, in observing and upholding our position on fraud, irregularity, bribery and corruption;
 - (c) and provide information and guidance to those working for our University on how to recognise and address fraud, irregularity, bribery and corruption issues.
- 4 This Policy should be read in conjunction with the University's [Whistleblowing \(Public Interest Disclosure\) Policy & Procedure](#).

What is fraud, irregularity, bribery and corruption?

- 5 Fraud is the use of deception, with the intention of:
 - (a) gaining an advantage, personally and for family or friends;
 - (b) avoiding an obligation;
 - (c) or causing a financial loss to our University or one of its subsidiary companies.
- 6 Irregularity is the failure to observe any University regulation, policy or procedure, which includes failure to take appropriate action after becoming aware of such failure by another person.
- 7 Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical, a breach of trust or the improper performance of a contract.
- 8 Corruption is the misuse of public office or power for private gain, or misuse of private power in relation to business outside the realm of government.
- 9 Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve initiatives such as buying or selling, or it may involve the handling of administrative tasks such as licences, customs, visas or taxes. It does not matter whether the act of bribery is committed before or after the activity has been undertaken.

10 Examples of potential fraud, bribery and corruption are set out in **Appendix A**.

Application of this Policy

- 11 This Counter Fraud and Anti-Bribery Policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, suppliers, contractors and/or any other parties with a business relationship with us. Any investigative activity required will be conducted without regard to any person's relationship to our University, position or length of service.
- 12 This Policy applies to all individuals working at all levels and grades, including all academic staff, senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), governors, consultants, contractors, trainees, seconded staff, casual associated staff and agency staff, volunteers, interns, agents, or any other person acting on behalf of our University, including agents or third-party representatives, which sometimes includes students.
- 13 This Policy shall be made available to all members of the Board of Governors and every member of staff and we will arrange specific training for those deemed most likely to encounter fraud, irregularity, bribery and corruption.

Relevant legislation

- 14 The Fraud Act 2006 outlines three ways in which an offence of fraud can be committed, i.e. by false representation, by failing to disclose information and by abuse of position.
- (a) Fraud by false representation - occurs when someone dishonestly makes a false representation, with the intention of making a gain for themselves, or another, or exposing another to either the risk of loss or to an actual loss.
- (b) Fraud by failing to disclose information – occurs when someone dishonestly fails to disclose information, which they are under a legal duty to disclose, with the intention of making a gain for themselves, or another, or exposing another to either the risk of loss or to an actual loss.
- (c) Fraud by abuse of position – occurs when someone who occupies a position in which they are expected to safeguard the financial interests of another, dishonestly abuses that position with the intention of making a gain for themselves, or another, or exposing another to either the risk of loss or to an actual loss.
- 15 The Bribery Act 2010 outlines four corporate offences, three of which also apply to individuals. These offences, whether for commercial organisations or for individuals, apply regardless of where in the world the bribes are offered or received, and regardless of whether the bribery is direct or via a connected party such as an agent or partner. An HEI that is found to have committed any bribery offence could face unlimited fines and may come under additional scrutiny from funders in the future. Individuals could face a 10-year prison sentence and unlimited fines, including senior officers of entities held liable through their consent to or connivance with the HEI committing the offence.

- 16 The four corporate offences are:
- (a) a general offence covering the offering, promising or giving of a bribe;
 - (b) a general offence covering the requesting, agreeing to receive, or acceptance of a bribe;
 - (c) a discrete offence of bribery of a foreign public official;
 - (d) and a new corporate offence of failure by a commercial organisation to prevent bribery by persons associated with it.
- 17 The Ministry of Justice has issued guidance on how organisations should respond to this legislation, which emphasises that organisations should take a proportionate approach to implementing procedures to prevent bribery based on risk, and recommends six principles of compliance:
- (a) Proportionate Procedures - the University will ensure it has procedures in place to prevent bribery by persons associated with it which are proportionate to the bribery risks it faces and to the nature, scale and complexity of the University's activities. It will ensure that these are clear, practical, accessible, effectively implemented and enforced.
 - (b) Top-Level Commitment - the Executive is committed to preventing bribery by persons associated with the University. The Executive will foster a culture within the University in which bribery is never acceptable.
 - (c) Risk Assessment - the University will assess the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment will be periodic, informed and documented. In assessing the risks, the University will pay particular attention to its dealings with territories which are perceived to have a high level of corruption; to dealings in high risk industry sectors e.g. defence, energy and construction; and to any close ties with prominent government officials or extensive government contracts.
 - (d) Due Diligence - the University will apply due diligence procedures, taking a proportionate and risk-based approach, in respect of persons who perform or will perform services for or on behalf of the University in order to mitigate identified bribery risks. It will take the appropriate action in response to any information uncovered as a result of the due diligence which gives rise to concern.
 - (e) Communication (including training) - the University will seek to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training, that is proportionate to the risks it faces. The University will ensure that appropriate reference is made to the University's Anti-Bribery Policy and related policies e.g. the Ethical Code of Conduct in contracts with associated persons e.g. staff, agents and contractors.
 - (f) Monitoring and Review - the University will monitor and review procedures designed to prevent bribery by persons associated with it and make improvements where appropriate.

The University will ensure that it takes appropriate action in response to any reported incidents of bribery.

- 18 If we conduct a sound assessment of our exposure to bribery and corruption risks, then developing adequate procedures to minimise these risks does not have to be an onerous task. With knowledge of where those risks lie, management can target developing a compliance programme efficiently to mitigate the dangers only in those areas of our operations, which are really exposed.

Our regulations and procedures

- 19 We already have a number of regulations and procedures in place to make sure that how we work on a day-to-day basis is properly controlled and to reduce the likelihood of fraud, irregularity, bribery or corruption occurring. Our system of internal control is designed to identify the principal risks to the achievement of our aims and objectives, to evaluate the nature and extent of those risks and to manage them effectively.
- 20 The internal auditors submit regular reports to the Audit Committee, which include an independent opinion on the adequacy and effectiveness of our system of internal control, together with recommendations for improvement. The Board of Governors' review of the effectiveness of our system of internal control is informed by the work of the internal auditors, our senior executives, who have responsibility for the development and maintenance of our internal control framework and by comments made by the external auditors in their annual management letter.
- 21 In addition to our Financial Regulations, a link to which is included below, we have written policies, standards and processes for delivering all of our services and a description and website location for all of these can be obtained from the second link below.

Financial Regulations:

<https://www.leedsbeckett.ac.uk/staffsite/services/financial-services/financial-regulations-and-procedures/>

Policies, standards and processes:

<http://www.leedsbeckett.ac.uk/public-information/>

- 22 Resource Centre Managers must make sure that all members of staff have access to the policies, standards and processes, which relate to all members of staff and to any, which relate specifically to their areas of work. All members of staff should receive suitable training in the use of our policies, standards and processes and be made aware of the fraud, irregularity, bribery and corruption reporting protocols set out in this document.

Counter Fraud and Anti-Bribery Policy Statement

- 23 Leeds Beckett University is committed to expecting and upholding high standards and to leading by example with integrity and responsibility. We value our reputation for ethical behaviour,

financial probity and reliability and have a zero-tolerance policy towards fraud, irregularity, bribery and corruption.

- 24 We prohibit the offering, the giving, the solicitation or the acceptance of any bribe, whether cash or other inducement (whether financial or otherwise), to or from any person, official or company, public or private, by any governors, staff, contractors, consultants, agents, overseas agents, external examiners and any non-employee service providers engaged on University business for whatever reason, in order to gain any commercial, contractual or regulatory advantage for or on behalf of our University in a way, which is unethical or in order to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.
- 25 We have put in place procedures for reporting and investigating acts of suspected fraud, irregularity, bribery and corruption and have taken steps to limit the risk of financial loss and/or reputational impact through:
- (a) setting out a clear Counter Fraud and Anti-Bribery Policy;
 - (b) training employees so that they can recognise and avoid the risk of fraud, irregularity, bribery and corruption by themselves and others;
 - (c) encouraging employees to be vigilant and to report any suspicion of fraud, irregularity, bribery and corruption, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
 - (d) rigorously investigating alleged fraud, irregularity, bribery and corruption, where necessary assisting appropriate authorities;
 - (e) taking firm and vigorous action against any individual(s) involved in fraud, irregularity, bribery and corruption;
 - (f) monitoring the effectiveness of such controls;
 - (g) vetting of agents and partner organisations, including requiring that they have effective safeguards against the giving or receiving of bribes, and other corrupt practices, in place; and
 - (h) rigorous financial safeguards, including auditing, and additional scrutiny of business transactions taking place overseas in countries known to have an increased incidence of fraud, irregularity, bribery and corruption.
- 26 The responsibility to control the risks of unethical business practices occurring resides at all levels of the organisation. The prevention, detection and reporting of fraud, irregularity, bribery and corruption is therefore, the responsibility of all staff.
- 27 We wish to encourage anyone having reasonable suspicions of fraud, irregularity, bribery or corruption, to report them and therefore, it is also our policy that no detrimental action of any

kind will be taken against a person who makes a complaint, in good faith. There are two main ways in which such a complaint can be made. First, under para **B14.3** of our Financial Regulations, members of staff should immediately notify the University Secretary about any matter which involves, or is thought to involve, irregularities. Secondly, staff can make use of our Whistleblowing (Public Interest Disclosure) Policy and Procedure (see para **4** above).

- 28 Every member of staff has a duty to ensure that University resources are safeguarded. Staff must alert their line manager if they believe an opportunity for fraud, irregularity, bribery or corruption exists because of poor procedures or lack of effective supervision. It is the responsibility of every member of staff to report details immediately to their line manager or appropriate senior person if they suspect fraud, irregularity, bribery or corruption may have occurred.
- 29 Any allegation that a member of staff has acted in a manner that is illegal or inconsistent with this Policy will be treated seriously, regardless of the seniority of those involved.
- 30 Our policy is that all fraud, irregularity, bribery and corruption will be thoroughly investigated in line with our Fraud Response Plan, with the aim of achieving the following objectives: deterring staff as well as persons outside our University from committing fraud, irregularity, bribery or corruption; the disciplining or dismissal of any member(s) of staff who have engaged in fraud, irregularity, bribery or corruption or who knowingly withhold information in relation to such matters; criminal prosecution, where appropriate, of all individuals responsible for fraud, irregularity, bribery or corruption; the recovery of all losses incurred; and the completion of appropriate action to prevent a recurrence.

Corporate hospitality and gifts

- 31 It is an offence under the Bribery Act 2010 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. Further detailed guidance on receiving, and declaring, corporate gifts or hospitality is given in para **B18** of the Financial Regulations.

Facilitation payments and kickbacks

- 32 The University does not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK but are common in some other jurisdictions in which the University operates.
- 33 If you are asked to make a payment on behalf of the University, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your Line Manager or the University Secretary.

- 34 Kickbacks are typically payments made in return for a commercial favour or advantage. All associated staff must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by the University.

What is not acceptable?

- 35 It is not acceptable for you (or someone on your behalf) to:
- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a commercial advantage will be received, or to reward a commercial advantage already given;
 - (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
 - (c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a commercial advantage for them;
 - (d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a commercial advantage will be provided by the University in return;
 - (e) threaten or harass against another worker who has refused to commit a bribery offence or who has raised concerns under this Policy; or
 - (f) engage in any activity that might lead to a breach of this Policy.

Assessing the risk of fraud, irregularity, bribery and corruption

- 36 Risk assessment
- (a) We will assess the nature and extent of our exposure to potential external and internal risks of fraud, irregularity, bribery and corruption on our behalf by persons associated with us by analysing and determining the areas in our University that are perceived to be at most risk and undertaking a risk assessment.
 - (b) In assessing the risks, we will pay particular attention to our dealings with territories which are perceived to have a high level of corruption; to dealings in high risk industry sectors e.g. defence, energy and construction; and to any close ties with prominent government officials or extensive government contracts.
 - (c) Risk assessments will be updated on at least a quarterly basis or whenever an identified risk changes or a new risk is added. A copy of the current version of each Resource Centre's risk register can be obtained from Governance and Legal affairs on request.

37 Due diligence

- (a) In order to comply with this Policy, Resource Centres should carry out appropriate due diligence checks before engaging third parties. It is the responsibility of Resource Centre Managers to ensure that properly documented due diligence is undertaken. General oversight after the contract is signed must also be undertaken.
- (b) As the Policy also applies to “associated persons” such as agents, suppliers and contractors, staff must ensure that during the due diligence process checks are made to establish whether external organisations have any equivalent Counter Fraud and Anti-Bribery policies or training in place. If not, they should be advised that we expect them to acknowledge and observe our Counter Fraud and Anti-Bribery Policy and that failure to adhere to this could result in our University exercising its option to terminate the contract or agreement.
- (c) Financial monitoring, record keeping, and screening of third-party payments are essential in trying to combat the possibility of a fraud, irregularity, bribery or corruption offence being committed and appropriate clauses will be included in all commercial contracts.

Implementation, communication and training plan

- 38 We will seek to ensure that our Counter Fraud and Anti-Bribery Policy and procedures are understood by, and embedded within, all Resource Centres through internal communication and training to members of staff, to external communication to third parties acting on our University’s behalf and to governors. The level of communication and training will be proportionate to the risks faced by each Resource Centre.
- 39 An implementation, communication and training plan has been developed to ensure staff and external bodies, such as agents, contractors and suppliers, working on our University’s behalf are fully aware of the University’s Counter Fraud and Anti-Bribery Policy. The plan provides for the implementation of the new Policy as well as for on-going training.
- 40 Training will be provided for all staff in areas identified as being most at risk of fraud, irregularity, bribery and corruption to ensure that they are aware of not only their obligations and responsibilities under the Policy, but also the consequences of breaching the Policy.

Monitoring and review

- 41 We will monitor and review procedures designed to prevent fraud, irregularity, bribery or corruption by persons associated with us and make improvements where appropriate. We will also ensure that we take appropriate action in response to any reported incidents of fraud, irregularity, bribery or corruption.
- 42 This Policy will be reviewed at least annually and more frequently in line with any legislative changes and any changes in our University’s activities.

- 43 Risk controllers for the key areas at risk are responsible for ensuring that their staff understand and comply with the measures, which have been put in place to support the implementation of this Policy.
- 44 All Resource Centres should monitor significant contractors and suppliers as part of their regular review of relationships with them.
- 45 Our internal auditors monitor the systems of internal control, risk management controls and governance processes which include the adequacy of the anti-bribery procedures.

Who is responsible for the Policy?

- 46 This Policy will be reviewed, for fitness of purpose, at least annually or after each identified instance of fraud, irregularity, bribery or corruption and any need for change will be reported to the Audit Committee for approval.
- 47 The University Secretary will keep a register of all fraud, irregularity, bribery and corruption incidents showing the nature of the incident and the outcome, including actions taken to prevent and detect similar incidents.

University Secretary's Office

APPENDIX A - EXAMPLES

The following are examples of acts of fraud, bribery or corruption which are relevant to the HE Sector.

- 1 Examples of fraud include - abuse of position (abusing authority and misusing our resources or information for personal gain or causing loss to our University); attempting to make payments to our University with a stolen or unauthorised credit/debit card; destruction or removal of records without appropriate authority; disclosing confidential information to outside parties without authority; falsifying documents such as expense claims or timesheets, which is a form of theft; forgery or alteration of any document, e.g. a cheque; giving or receiving bribes; inappropriate relationships with third parties causing conflicts of interest and loss to our University; misusing time during working hours, e.g. taking unauthorised absences or falsely claiming to be sick; theft of any University property by staff or third parties; and un-authorised use of University assets.
- 2 Offering a bribe - you offer a potential benefactor tickets to a major University event, but only if they agree to make a financial donation to the University. This would be an offence as you are making the offer to gain a commercial and contractual advantage. The University may also be found to have committed an offence because the offer has been made to obtain business for the University. It may also be an offence for the potential benefactor to accept your offer.
- 3 Receiving a bribe - a supplier of the University gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure the University continues to do business with them. It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.
- 4 Bribing a foreign official - you arrange for the University to pay an additional payment to a foreign official to speed up an administrative process in order that a necessary licence can be obtained to start up a University abroad. The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a commercial advantage for the University. The University may also be found to have committed an offence.