

## **POLICY ON THEFT, FRAUD AND CORRUPTION**

1. College management is responsible for the prevention, detection and investigation of irregularities, including Theft, Fraud and Corruption. To discharge this responsibility, management should ensure that an adequate system of internal control is operated.
2. The financial affairs of the College are carried out within the rules laid down in the Financial Regulations and Procedures. These are designed to minimise the opportunities for Fraud and Corruption. It is the responsibility of managers to ensure that all of their staff are aware of the regulations and procedures and that they understand that they are required to comply with them.
3. Theft, fraud and corruption are unacceptable to the College and considered a breach of disciplinary rules, which could constitute gross misconduct. In all cases where it is suspected, investigation and appropriate action under the relevant College disciplinary procedure will be initiated.
4. This document sets out both the procedure for staff to notify of any suspicions and how the College should respond in the event of being notified of a suspected fraud or misuse of funds.<sup>1</sup>
5. It is a duty of each employee to report an actual or suspected incident of Theft, Fraud or Corruption to the Director of Audit and Business Assurance. Each report will be treated as confidential.
6. The Director of Audit and Business Assurance will undertake a preliminary investigation and report to the Director of Finance. If both are agreed that a full internal investigation is likely to provide a reasonable suspicion that a person has committed an act of Theft, Fraud or Corruption then the Director of Audit and Business Assurance will undertake the internal investigation and report the matter to the Chairman of the Audit and Compliance Committee. Once the investigation is complete, the Director of Audit and Business Assurance will advise the Chairman of the Audit and Compliance Committee, the Principal and the Head of Administration and College Secretary of the findings of the investigation and proposed action. The Principal can over-ride these procedures under his/her statutory powers, e.g. in the event that there is a need for a fast-track approach.
7. The Director of Audit and Business Assurance should at the earliest opportunity during an investigation into an alleged incident take appropriate steps to safeguard relevant assets and accounting records.

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<sup>1</sup> Where a member of the College believes that there is a specific 'public interest' involved, including cases of possible financial malpractice, the College Policy on Disclosure of Information shall apply. This policy may involve an individual's concerns being investigated (at least initially) separately from the procedures laid down within the Policy on Theft, Fraud and Corruption.

8. It is a duty of each employee to co-operate with the investigation and to make statements. A request for anonymity by an employee will be respected as far as practical.
9. Any investigation of suspected theft, fraud and corruption will be pursued in accordance with the appropriate disciplinary procedure.
10. The Director of Audit and Business Assurance will consult the Director of Human Resources when there is evidence that it may be appropriate for an employee to be suspended.
11. If the Director of Audit and Business Assurance believes that there is a reasonable suspicion of theft, fraud or corruption by a person then the Police will be informed.
12. It will be for discussion and agreement with the Police as to whether the internal investigation continues.
13. At the end of the investigation the Director of Audit and Business Assurance will prepare a report setting out the facts and making recommendations for disciplinary action and changes to systems. This report will be presented to the Principal and the Head of Administration and College Secretary. Details of the investigation and findings shall be reported promptly to the Audit and Compliance Committee for consideration by Members.<sup>2</sup>
14. The broad definitions of Theft, Fraud and Corruption are:-

Theft – the taking of property without permission with the intention of depriving the owner permanently of its possession.

Fraud – involves the use of deception to obtain an unjustified or illegal financial or material advantage.

Bribery and Corruption – the giving or receiving of financial or material benefits or undertaking a specific course of action.

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<sup>2</sup> The HEFCE Audit Code of Practice includes a requirement that any theft, fraud, loss of charity assets or other irregularity where the sums of money involved are, or potentially are in excess of £25,000; or where the particulars of the theft, fraud, loss of charity assets or other irregularity may reveal a systemic weakness of concern beyond the institution; or are novel, unusual or complex; or where there is likely to be public interest because of the nature of the fraud, theft, loss of charity assets or other irregularity (or the people involved), must be reported, without delay to the Chairman of the Audit and Compliance Committee, the Chairman of Council, the Director of Audit and Business Assurance, the external auditor and the HEFCE Chief Executive.