

# **HARLOW COLLEGE**

## **ANTI-FRAUD AND CORRUPTION POLICY**

# FRAUD AND CORRUPTION POLICY

## 1. INTRODUCTION

- 1.1 Harlow College is committed to dealing rigorously with any instances of fraud or corruption which take place within its operations. The college will ensure robust procedures are in place to reduce the risk of fraud or corruption taking place within any of its operations.

## 2. DEFINITION OF FRAUD, CORRUPTION AND THEFT

- 2.1 The college understands fraud and corruption to mean:

- Fraud: Intentional distortion of financial or other statements or records which are carried out to conceal the misappropriation of assets or otherwise for gain
- Corruption: The offering, giving, soliciting or acceptance of inducements, rewards or bribes which might influence the actions taken by the college
- Theft: Acting dishonestly to take or appropriate property, money or other assets belonging to or which are the responsibility of the college with the intention of permanently or temporarily depriving the college the use of it.

- 2.2 The college differentiates between acts which are intentional and dishonest and those acts which are innocent but inappropriate and could also lead to the college suffering loss. The college also recognises that there are intentional actions which would not necessarily be categorised as criminal but which would be considered grossly unprofessional e.g. the incurring of higher than necessary expenditure on behalf of the college for travel, hospitality, accommodation, gifts etc.

- 2.3 The college understands that fraudulent or corrupt activity could potentially involve college employees at any level, college governors, agents or contractors with the college.

- 2.4 The college needs to remain vigilant to any unlawful activities which are external to the college but involve potential serious loss to the College e.g. Deception to obtain money, credit, goods, services, or confidential information, commercial advantage etc.

## 3. RAISING CONCERNS ABOUT FRAUD OR CORRUPTION

- 3.1 The financial regulations set out the process for staff members to report suspected fraudulent or corrupt practice either within the college or by anyone who has dealings with the college. In brief staff should in the first instance report the concern to their line manager as soon as possible.

- 3.2 In the event the staff member does not feel it appropriate to raise the concern with their line manager the matter should be raised with one of the Designated Assessors identified in the college's Public Interest Disclosure Policy and procedure.

- 3.3 If the concern involves one of the Designated Assessors identified in the Public Interest Disclosure Policy the staff member should contact either the Chair of College Governors or the Chair of the College Audit Committee.

**3.4** All concerns raised by staff will be treated seriously and with appropriate discretion. All concerns will be investigated thoroughly and in line with the provisions of the college Public Interest Disclosure policy and procedures.

## **4 NON STAFF**

**4.1** Members of the public ,customers, suppliers, contractors and other organisations that the college deals with are also able to report concerns regarding fraud and corruption through either the college manager with whom they work or through a Deputy Principal or through the options outlined in 3.1, 3.2 and 3.3.

## **5 CONTROL FRAMEWORK**

### **5.1 External Audit**

**5.2** The Joint Audit Code of Practice (Part 2, section 80, July 2013) makes clear that it is not the duty of external audit to search specifically for irregularity or fraud and audit and that it should not be relied upon to disclose them. However audit does have a duty to plan and conduct audit so that there is a reasonable expectation that irregularity would be detected.

**5.3** Serious irregularity.

Any serious irregularity identified by external audit should be reported to the Principal, Chairman of the Corporation and Chairman of the Audit Committee as soon as possible.

### **5.4 Internal Audit**

If internal audit suspects or discovers irregularity or fraud they should immediately inform the college senior manager responsible for internal audit, the Principal and Chair of the Audit Committee.

### **5.5 Audit Committee**

Should the Audit committee have concerns over irregularities or fraud they should contact the internal auditor and fully report their concerns.

### **5.6 Public Interest Disclosure**

Should a member of college staff have grounds for concerns about irregularities or fraud they should draw the attention of the college to these by reporting their concerns to the senior manager responsible for internal audit, the Principal or consider if it is appropriate to use the college Public Interest and Disclosure Policy and Procedures.

### **5.7 Notifying Funding Bodies**

Where external or internal audit identifies serious irregularities or fraud these must be reported fully to the relevant authorities without delay usually by a member of the college Principalship or where this would be inappropriate because of the nature of the irregularities by the Clerk to the Governors or the Chair of the Corporation or the Chair of the Audit Committee.

**5.8** The audit committee may wish to hold an investigation into the irregularity or fraud but this should not be commissioned until the relevant funding bodies have been informed.

## **6. PROCEDURES FOR DEALING WITH IRREGULARITY, FRAUD OR CORRUPTION**

### **6.1 Involving members of staff**

Where staff are suspected of irregularity, fraud or corruption the college's staff disciplinary procedure will be applied using the procedures relevant to gross misconduct. This includes all matters concerning investigations, panel hearings, appeals and timescales.

If appropriate, internal auditors may be invited to take the lead for conducting some or all of the procedures relating to any investigation. In the event that a member(s) of the Principalship are subject to the investigation the internal auditors will assume full responsibility for the investigation.

**6.2** In all cases of irregularity, fraud or corruption the investigating officer will take appropriate legal advice and / or advice from the police to ensure that the evidence gathered will meet the legal standards required for any subsequent proceedings.

**6.3** Members of the Principalship will be provided with training opportunities to assist them in the prevention and detection of fraud and corrupt practice. In particular the member of the Principalship with particular responsibility for the college finances will be provided with training opportunities covering their specific responsibilities to assist them in investigating irregularities, suspected fraud and corruption.

**6.4** Where internal auditors are requested to lead or support an investigation into irregularities, fraud or corruption they should confirm that the staff who will undertake the investigative work are trained to undertake such work and have been fully briefed on the nature of the investigation.

**6.5** Staff who are subject to investigation may be suspended from work if appropriate. In addition care should be taken to ensure that the staff concerned do not have access to any college property, IT systems, databases, information or accounts which would enable evidence or assets relevant to the investigation to be disposed of.

**6.6** In all cases the appropriate disciplinary procedure will be followed – (Staff Disciplinary Procedures or Senior Potholders Disciplinary Procedures.)

### **6.7 Where suppliers, contractors, organisations and other individuals are involved**

In instances where suppliers contractors organisations and individuals are involved the Audit Committee will request that the Internal Auditors will conduct the investigation in close liaison with the appropriate member of the Principalship.

**6.8** The internal auditors will be asked to confirm their arrangements for carrying out the investigation and to ensure that staff who will undertake the investigative work are trained to undertake such work and have been fully briefed on the nature of the investigation.

**6.9** Where there is a suspicion that the investigation may reveal criminal activity the Audit Committee may determine to involve the police from the outset.

**6.10** Any outcomes of the investigation including specific recommendations into irregularity, suspected fraud or corruption will be determined by the Audit Committee after the investigation report has been presented to them.

### **6.11 Corporation Members**

In the event of a member (s) of the corporation being suspected of irregularity, fraud or corruption this will be reported as soon as is possible to the chair of the corporation

In all such cases the colleges' policy on Public Interest and Disclosure will be used

### **6.12 Control Framework for prevention or reporting of Fraud and Corruption**

The main mechanisms for this are contained within:

The standing orders of the Corporation

Corporation committees' terms of reference

Financial Regulations and Procedures (incorporating Harlow College Bribery policy)

External Audit arrangements

Internal Audit Annual action plan

Public Interest and Disclosure Policy (whistleblowing policy)

*Particular attention should also be paid to compliance with or guidance contained within the Joint Audit Code of Practice ( JACOP, Parts 1 and 2, Skills Funding Agency /Education Funding Agency, July 2013)*

### **6.13 TRACKING ARRANGEMENTS OF THIS POLICY TO FOLLOW HR PRACTICE**

Annex 1

Extract from Financial Regulations and Procedures (INSERT PAGE 13 OF 17)

**TRACKING and REFERENCE INFORMATION**

**Date Approved:** December 2014

**Review Date:** Annually

**Author/Responsibility:** Executive Member responsible for Audit

**Equality Impact Assessment:**

**List of related policies, procedures and other documents:**

Complaints Procedure  
Equality & Diversity Policy  
Equality and Diversity Scheme  
Disciplinary Policy & Procedure  
Grievance Procedure  
Data Protection Policy  
Public Interest and Disclosure Policy (whistleblowing policy)

**Complaints:** If you wish to submit a complaint about the application of this policy or the procedure of it, please send your request in accordance with the provisions of the Grievance Procedure.

**Monitoring:** The application of this policy and associated procedure will be monitored by

**Easy reading:** To receive this policy/procedure in a different format, please contact: