



Policy Number	0009
Issue Number	1
Re-approved (by the Corporation Board)	9 th December 2013
Originator	Clerk to the Corporation
Responsibility	Andy Armiger

ACCRINGTON & ROSSENDALE COLLEGE FRAUD & CORRUPTION POLICY AND RESPONSE PLAN

1. INTRODUCTION

- 1.1 Public sector organisations are accountable for 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 and means of enforcing the rules against fraud, corruption and other illegal acts involving dishonesty or damage to property, information or goodwill.
- 1.2 The College already has procedures in place that reduce the likelihood of fraud occurring. These include Financial Regulations, Financial Procedures and a system of internal control.
- 1.3 This document is intended to provide direction and help to staff who find themselves having to deal with suspected cases of theft, fraud or corruption (including bribery). It gives a framework for a response and advice and information on various aspects and implications of an investigation. This document is not intended to provide direction on prevention of fraud or corruption.
- 1.4 A separate document has been prepared for staff, which provides guidance on reporting fraud and corruption.
- 1.5 **Definitions**
- 1.5.1 Fraud is the illicit gaining of cash or other benefit by deception.
- 1.5.2 Corruption is the dishonest influence of actions and decisions.

2. PUBLIC SECTOR VALUES

The College embraces the following public service values.

Accountability: Everything done by those who work in the college must be able to stand the test of parliamentary scrutiny, and public judgement on propriety and professional codes of conduct.

Probity: Absolute honesty and integrity should be exercised in dealing with assets, staff, suppliers, students and other customers.

Openness: The organisation's activities should be sufficiently public

and transparent to promote confidence between the organisation and its customers, staff and the public.

All those who work in the College should be aware of, and act in accordance with, these values.

3. THE COLLEGE'S POLICY

- 3.1 The Governing Body is committed to maintaining an honest, open and well-intentioned atmosphere within the College. It is also committed to eliminating any fraud occurring in the College, and to the rigorous investigation of any such cases.
- 3.2 The College wishes to encourage anyone who has reasonable suspicions of fraud or corruption to report them. Therefore it is also the Governing Body policy, which will be rigorously enforced, that no employee will suffer in any way as a result of reporting reasonably held suspicions.
- 3.3 **All members of staff can therefore be confident that they will not be victimised as a result of reporting reasonably held suspicions of fraud or corruption.**

4. ROLES AND RESPONSIBILITIES

- 4.1 Authority for investigating fraud and corruption has been delegated to the Principal, who is also responsible for informing third parties such as the funding agencies, external auditors or the police, if appropriate. The Principal shall inform and consult the Chair of the Board, Chair of the Audit Committee and Vice Principal (Business and Innovation) in all cases.
- 4.2 The Principal shall normally inform the Vice Principal (Business and Innovation) at the first opportunity and delegate to the Vice Principal (Business and Innovation) authority for leading any investigation subject to the Principal retaining overall responsibility.
- 4.3 Where a member of staff is to be interviewed or disciplined the Principal and/or Vice Principal (Business and Innovation) shall consult and take advice from the College's Director for People and Performance
- 4.4 The College's Director for People and Performance shall advise those involved in the investigation in matters of employment law and in other procedural matters, such as disciplinary procedures, as requested.
- 4.5 The following individuals are authorised to receive enquiries from staff confidentially: -

Chair of the Audit Committee
Principal
Clerk to the Corporation
Vice Principal (Business and Innovation)

Details of the current post-holders and contact points are recorded in Annex A.

The Clerk to the Corporation will retain a secure log of all reported suspicions. Access to the log will be limited to those individuals detailed in paragraph 4.5.

5. REPORTING FRAUD OR CORRUPTION

5.1 Discuss with your Line Manager or Nominated Officer

- 5.1.1. An employee should normally discuss his/her suspicions confidentially with their line manager. The employee may instead discuss the matter confidentially with the nominated officer (as detailed in paragraph 4.5). The line manager or a nominated officer will inform the Principal directly of all suspicions raised. Where it is inappropriate to inform the Principal, the line manager or nominated officer will inform the Chair of the Audit Committee.
- 5.1.2 If an employee suspects his/her line manager the employee should report the suspicions to someone more senior than the manager, or directly to the Principal.
- 5.1.3 If the suspicion involves a member of the Senior Management Team the matter should be reported to the Chair of the Audit Committee.
- 5.1.4 At the end of the discussion the line manager or the nominated officer should immediately inform the Clerk to the Corporation who shall record all the details in a log. (see 5.2.1 and 4.5)

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

5.2 Clerk to the Corporation records details immediately in a log

- 5.2.1 The log will contain details of all reported suspicions, including those dismissed as minor or otherwise not investigated. It will also contain details of action taken and conclusions reached. This log will be available for review by the Audit Committee at least termly, which will report any significant matters to the Governing Body.

5.3 Principal considers need to inform the Governing Body, Vice Principal (Business and Innovation), External Agencies and / or External Auditors

- 5.3.1 The Principal shall inform and consult the Chair, Chair of the Audit Committee and the Vice Principal (Business and Innovation) at the first opportunity in all cases.
- 5.3.2 The Principal shall determine, normally in consultation with the Vice Principal (Business and Innovation), at what point to inform the police in line with College's Financial Regulations. In addition the Principal will determine whether the College's Internal Auditors or External Auditors should be informed.

6. MANAGING THE INVESTIGATION

- 6.1 Normally the manager would be the Vice Principal (Business and Innovation). The circumstances of each case will dictate who else will be involved and when.

6.2 **Diary of Events**

6.2.1 The manager overseeing the investigation will initiate a Diary of Events to record the progress of the investigation.

6.3 **Does it appear that a criminal act has taken place?**

6.3.1 In some cases this question may be asked more than once during an investigation. The answer to the question obviously determines if there 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 Governing Body should now be informed if this has not already occurred.

6.4 **Involving the Police**

6.4.1 Some managers may mistakenly be reluctant to involve the Police in the belief that;

- a) 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,
- b) the College prefers to deal with the incident internally, keeping it confidential while implementing dismissal and pursuing recovery through civil action,
- c) 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
- d) the disciplinary process has to wait behind a police prosecution.

6.4.2 Protracted internal investigations often unnecessarily delay involving the Police, thereby diminishing the value of co-operation 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.

6.5 **Investigate internally**

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

6.5.2 Where no criminal act has taken place the event could have three outcomes:-

- i. dismissal,
- ii. other disciplinary action
- iii. no case to answer

- 6.5.3 In each case the investigation manager should consider what steps can be taken to recover any loss and whether anything is required to improve control to prevent the event happening again.

6.6 **Disciplinary / Dismissal procedures**

- 6.6.1 The disciplinary procedures of the College have to be followed in any disciplinary action taken by the College towards an employee (including dismissal).

- 6.6.2 An employee may be suspended on full pay
- whilst an investigation is made into matters relating to fraud or corruption where the possibility of dismissal may arise; or
 - where there are grounds for doubt as to the suitability of the employee to continue working in his/her present position; or
 - pending criminal investigations or proceedings

Any suspension will be carried out in line with the guidance in the College's Disciplinary Policy. Suspension on full pay is usually standard procedure in matters of this nature and will not constitute disciplinary action. Disciplinary action will not necessarily result.

6.7 **Recovering a loss**

- 6.7.1 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.

- 6.7.2 If the loss may be covered by insurance the investigation manager should inform the manager responsible for insurance matters. There may be time limits for making a claim and in certain cases claims may be invalidated if legal action has not been taken.

7. **GATHERING EVIDENCE**

7.1 **Witnesses**

- 7.1.1 If a witness to the event is prepared to give a written statement, it is best practice for an experienced member of staff, preferably the Vice Principal (Business and Innovation) or Principal, to take a chronological record using the witness's own words. (The witness must be prepared to sign the document as a true record, but the involvement of an independent person usually helps to keep the statement to relevant facts).

7.2 **Physical evidence**

- 7.2.1 Upon taking control of any physical evidence, it is very important that records 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.

7.3 Principal to consider if suspect should be interviewed

7.3.1 The Principal will consider the report (written or verbal) of the investigation manager and consider if the suspect should be interviewed. In this consideration the Principal shall consult the College's Director of People and Performance. If a crime is suspected, it is recommended that the Police are consulted before any interview with the suspect takes place, if this is practical.

8. INTERVIEW PROCEDURE

8.1 Interview

8.1.1 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. The Vice Principal (Business and Innovation) will maintain links with the local Police force for this purpose.

8.2 Is evidence gathered sufficient for dismissal?

8.2.1 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 other than strictly in accordance with college procedures. The Principal should be consulted about the provision of references for employees who have been dismissed or who have resigned following suspicion of a fraud.

8.3 Review events with police

8.3.1 Whether or not the evidence 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.

ANNEX A

CONTACT POINTS FOR NOMINATED OFFICERS

Post	Current Post-holder	Contact point
Audit Committee Chair	Ms R Andrews	01254 354007
Principal	Mrs Sue Taylor	01254 354007
Clerk to the Corporation	Mr A Armiger	01254 354112
Vice Principal (Business and Innovation)	Mrs S Collinge	01254 354014

This policy was reviewed and Equality Impact Assessed in October 2010 by:

**Mr A Armiger - 14-19 Learning Manager, Accrington and Rossendale College
Mr R Hodson - Skills for Life Manager, Accrington and Rossendale College**

**This policy was reviewed and Equality Impact Assessed in November 2013 by:
Mrs Lorraine Higham – Director of People and Performance**

APPENDIX B

GUIDANCE TO STAFF ON FRAUD AND CORRUPTION

CONTENTS

1.	INTRODUCTION	1
2.	PUBLIC SECTOR VALUES	1
3.	THE COLLEGE'S POLICY	2
4.	ROLES AND RESPONSIBILITIES	2
5.	GUIDANCE TO STAFF	3
	5.1 Reporting Fraud and Corruption	
	5.2 What should you do?	
	5.3 What happens next?	

FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN

1. INTRODUCTION

- 1.1 Public sector organisations are accountable for 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 and means of enforcing the rules against fraud and corruption (including bribery) and other illegal acts involving dishonesty or damage to property.
- 1.2 The College already has procedures in place that reduce the likelihood of fraud occurring. These include Financial Regulations, Financial Procedures and a system of internal control.
- 1.3 This document is intended to provide direction and help to staff who suspect a colleague, or other person of fraud or an offence involving the College.

2. PUBLIC SECTOR VALUES

The College subscribes to the following public service values: -

Accountability: Everything done by those who work in the college must be able to stand the test of parliamentary scrutiny, and public judgement on propriety and professional codes of conduct.

Probity: Absolute honesty and integrity should be exercised in dealing with assets, staff, suppliers, students and other customers.

Openness: The organisation's activities should be sufficiently public and transparent to promote confidence between the organisation and its customers, staff and the public.

All those who work in the College should be aware of, and act in accordance with, these values.

3. THE COLLEGE'S POLICY

- 3.1 The College is committed to maintaining an honest, open and well-intentioned atmosphere within the College. It is also committed to the elimination of any fraud or corruption within the College, and to the rigorous investigation of any such cases.
- 3.2 The College wishes to encourage anyone having reasonable suspicions of fraud or corruption to report them. It is also the Governing Body policy, which will be

rigorously enforced, that no employee will suffer in any way as a result of reporting reasonably held suspicions.

3.3 All members of staff can therefore be confident that they will not be victimised as a result of reporting reasonably held suspicions of fraud.

4. ROLES AND RESPONSIBILITIES

4.1 Authority for investigating fraud or corruption has been delegated to the Principal, who is also responsible for informing third parties such as the funding agencies, external auditors or the police if appropriate. The Principal shall inform and consult the Chair of the Board, Chair of the Audit Committee and Vice Principal (Business and Innovation) in all cases.

4.2 The Principal shall normally inform the Vice Principal (Business and Innovation) at the first opportunity and delegate to the Vice Principal (Business and Innovation) authority for leading any investigation subject to retaining overall responsibility himself.

4.3 Where a member of staff is to be interviewed or disciplined the Principal and/or Vice Principal (Business and Innovation) shall consult and take advice from the College's Director for People and Performance

4.4 The College's Director for People and Performance shall advise those involved in the investigation in matters of employment law and in other procedural matters, such as disciplinary procedures, as requested.

4.5 The following individuals are authorised to receive enquiries from staff confidentially: -

Post	Current Post-holder	Contact point
Audit Committee Chair	Ms R Andrews	01254 354007
Principal	Mrs Sue Taylor	01254 354007
Clerk to the Corporation	Mr A Armiger	01254 354112
Vice Principal (Business and Innovation)	Mrs S Collinge	01254 354014

All cases will be notified to the Clerk to the Corporation who will retain a log of all reported suspicions. Access to the log will be limited to those individuals detailed in paragraph 4.5.

5. GUIDANCE TO STAFF ON FRAUD

5.1 Reporting Fraud or Corruption

5.1.1 There will be no victimisation of staff who report reasonably held suspicions of fraud, corruption or other illegal or dishonest acts involving College property information or records. Victimising or deterring staff from reporting concerns is a serious disciplinary matter and any contravention of this policy should be

reported to the Principal or Chair of the Audit Committee. Equally however, malicious allegations could be regarded as a disciplinary matter.

5.2 What should you do?

5.2.1 If you believe you have a good reason to suspect a colleague, student or other person of a fraud, corruption or offence involving the College i.e.

- theft of College property,
- abuse of College property,
- deception or falsification of records e.g. fraudulent time or expense claims,
- bribery

you should discuss it confidentially in the first place with your manager - unless you suspect your manager of involvement, in which case you should go to the next more senior person. If you prefer you may first discuss the matter confidentially with any of the nominated officers detailed in paragraph 4.5.

5.3 What happens next?

5.3.1 If the suspicion seems to be well founded your manager or one of the nominated officers will report the matter to the Principal. The College will then follow the Fraud and Corruption Response Plan and investigate and take appropriate action.

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