



# **ANTI-BRIBERY AND FRAUD PREVENTION POLICY**

## **1.0 POLICY STATEMENT / PURPOSE**

Durham University has a zero-tolerance policy towards bribery and fraud; actual or attempted. All staff, students and associated persons are expected to conduct themselves with the highest standards of honesty, propriety and integrity in all activities. The University is committed to encouraging prevention, detection, and a swift response to any instances of corruption.

The University is a charity and much of its income is derived from benefactions, public funds and charitable sources. As such, the University has a legal duty to ensure that its resources and income are used solely for the purposes intended. The University must safeguard its operations and reputation, and the interests of its funders, donors, and members from the adverse consequences of fraudulent activities.

This policy is intended to deter any actions of fraud and assist staff and students in the detection of fraud for the purpose of safeguarding the University, its reputation and assets, and the assets of its members, supporters, partners and subsidiary companies, as far as is practicably possible. This policy sets out individual responsibilities in respect of both the prevention of bribery and fraud and the procedures to be followed where bribery or fraud is detected or suspected.

## **2.0 DEFINITIONS AND BEHAVIOURS**

**Fraud**

For the purpose of this policy, fraud is defined, in accordance with the Fraud Act 2006, as deception with the intent to a) gain an advantage, either for personal material (or other) gain, or for the benefit of another individual/group of individuals; and/or to b) cause financial loss to the University or one of its subsidiary companies.

Intent is central to the University's understanding of fraud regardless of whether actual gain or loss has occurred. It should be noted that fraud may be perpetrated by individuals internal or external to the University (for example, external fraud may occur via a breach of information security such as hacking). Fraud can be committed by making false representations, failing to disclose information, or by abuse of position.

This policy deems the following, (but is not an exhaustive list), as examples of fraudulent acts: bribery, forgery, theft of cash or property, extortion, embezzlement, misappropriation, false representation, concealment of material facts, destruction of records, knowingly retaining a salary overpayment, excessive personal use of University resources, money laundering and collusion.

## **Bribery**

Bribery is specifically defined in the Bribery Act 2010 as an inducement or reward that can be 'financial or other advantage' (such as money, contracts, gifts or offers of employment) which is offered, promised, or given in order to gain commercial, contractual, regulatory, or personal advantage. The offence of being bribed is defined as requesting, accepting, or agreeing to accept such an advantage, in exchange for improperly performing such a function or activity.

## **3.0 SCOPE**

This policy is applicable to all staff and student members of the University, all members of Durham Student Organisations, subsidiary companies, agents, and other volunteer/lay members. Any fraudulent activities identified in relation to other individuals working with, on behalf of, or for the University should be reported through the same process.

The University takes seriously any allegations of bribery or fraud and will investigate all such concerns. Staff or students found to be committing bribery or fraud (attempted or actual) will be subject to disciplinary proceedings which may result in dismissal or exclusion. The matter may also be referred to the police and may lead to a prosecution.

## **4.0 RESPONSIBILITIES**

The Vice-Chancellor has overall accountability for managing the risk of fraud or bribery, but overall responsibility for the design of arrangements to manage fraud risks is delegated to strategic and operational risk owners (i.e. University executives, directors and senior managers).

The University Secretary is responsible, in consultation with other senior managers, for ensuring adequate systems of internal control, including clear objectives, segregation of duties, and proper authorisation procedures. These control procedures are designed to mitigate the risk of attempted/successful fraud and bribery in those areas most vulnerable to fraud and bribery risk.

The internal auditors are able to offer advice on process design and undertake internal audits of activity to highlight any areas of vulnerability which are felt to expose the University to a variety of risks, including fraud and bribery. It is the responsibility of internal auditors to assess the adequacy of control arrangements and to investigate or supervise the investigation of allegations of bribery or fraud.

Day-to-day responsibility for the prevention and detection of fraud or bribery rests with line managers who are responsible for the implementation of policies and procedures within their area.

All staff and students have a responsibility to report any suspicions of bribery or fraud.

## **5.0 POLICY, PROCEDURES AND ENFORCEMENT**

### **Behaviours**

The following list of behaviours, which is not exhaustive, could be an indicator of fraud or irregularity but may also highlight personal or mental health issues and as such should be addressed with sensitivity:

Frequently altered documents, (particularly financial documents).

Incomplete or vague claim/expense forms.

Erratic or inconsistent application of processes and procedures; particularly those relating to cash handling.

Erratic, or noticeable changes in, behaviour.

Regular delays in the completion/submission of claims and financial reports.

Staff or students seemingly living beyond their means.

Staff or students seemingly under constant financial, academic or other stress (possibly due to situational pressures).

Reluctance to hand over or being secretive about work; particularly if the individual concerned is solely responsible for a risk area, including a reluctance to take annual leave to retain ownership of work.

Avoidance of audits or peer reviews (internal or external).

Inconsistent performance or standard of work.

Refusal of promotion.

Insistence on dealing with a particular individual.

Management override of controls.

### **Incident Reporting**

It is important that all individuals are able to report their concerns without fear of reprisal or victimisation and are aware of the means to do so. The Public Interest

Disclosure Act 1998 (the “Whistle-blowers Act”) provides appropriate protection for those who voice genuine and legitimate concerns through the proper channels. See the Public Interest Disclosure (Whistleblowing) Policy for further details.

In the first instance, any suspicion of fraud, theft or other irregularity should be reported, as a matter of urgency, with line managers, senior colleagues, academic department or college staff. If such action would be inappropriate, concerns should be reported upwards to one of the following persons:

Head of Service.

Any Director or Executive Officer.

Chief Financial Officer.

University Secretary.

### **Initiating Action**

Following initial discussions, where the suspicion of fraud or irregularity remains, it should be reported without delay to the University Secretary who should consult with the Fraud Response Group (FRG), within 72 hours, to decide on the initial response. The FRG will comprise:

University Secretary (Chair).

Chief Financial Officer.

Director of Human Resources and Organisational Development.

Head of Legal Services.

If any of the post holders is under suspicion, an alternative senior officer will be appointed to the FRG in their place.

Each member of FRG may ask a nominated deputy to stand in on their behalf.

Other co-opted members may be called to join the FRG in the investigative process to assist in specific cases where their expertise is required.

## **Investigation**

The FRG will decide on the action to be taken. This will normally be an investigation, and the FRG will appoint an Investigating Officer with clear terms of reference and guidance for the investigation. Investigations involving senior colleagues shall normally be led by the University Secretary.

The investigation will consider:

The nature and extent of any loss.

Action required to prevent further loss.

Recovery action; and

The appropriateness of additional sanctions (including disciplinary action or criminal prosecution).

The members of the FRG will ensure that staff co-operate with requests for assistance by the Investigating Officer and will approve the appointment of external specialists if required to assist with the investigation.

On completion of an investigation, a written report shall be submitted to the Vice-Chancellor and the Audit and Risk Committee by the University Secretary containing:

A description of the incident, including the value of any loss, the people involved and the means of perpetrating the fraud.

Action taken against any party where the allegations were proved.

Actions taken to recover any loss.

Any recommendations and/or action taken to minimise any recurrence.

Any actions needed to strengthen future responses to fraud.

The University Secretary will inform the reporting person of the outcome of the investigation. However, sometimes the need for confidentiality may prevent the release of specific details of the investigation or any disciplinary action taken as a result.

The University Secretary will monitor the implementation of any recommendations / actions agreed in response to an investigation.

The University will follow its own internal disciplinary proceedings against any member of the University who has committed fraud. The FRG and the Investigating Officer will maintain familiarity with the University's disciplinary proceedings to ensure that evidence collected during any fraud investigation meets the appropriate requirements for disciplinary action.

### **Police Referral**

The University will normally pursue the prosecution against any member of the University who has committed fraud. The University Secretary will establish and maintain contact with the police.

The University Secretary, in consultation with the FRG and the Investigating Officer, will decide if and when to contact the police.

The Investigating Officer should be familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings (including the Police and Criminal Evidence Act (1984), the Investigatory Powers Act (2016), the Human Rights Act (1998), and the Equality Act (2010)).

All staff will co-operate fully with any police enquiries, which may have to take precedence over any internal investigation or disciplinary proceedings. However, wherever possible, teams will co-ordinate their enquiries to maximise the effective and efficient use of resources and information.

Where the police are not notified of a suspected or actual fraud, the Audit and Risk Committee must be advised of the reason.

### **Prevention of Further Loss**

Where the investigation provides reasonable grounds for suspecting a member of the University of fraud, the FRG will decide how to prevent further loss. For staff, this may require suspension of the suspect(s), in accordance with the University's Disciplinary Regulations. It may be necessary to plan the timing of suspension to prevent the suspect(s) from destroying or removing evidence that may be needed to support disciplinary or criminal action. The decision to suspend will be taken by the Director of Human Resources and Organisational Development, in consultation with the University Secretary or Chief Financial Officer and the Investigating Officer. Suspension should not be regarded as disciplinary action nor should it imply guilt.

Human Resources (HR) will provide advice on how any potential suspension of staff should be conducted. This may include informing the suspect(s) of suspension without prior notice but the reason for suspension and the relevant arrangements (such as review periods) should be explained to them. They should be supervised at all times before leaving the University's premises. They should be allowed to collect personal property under supervision but should not be able to remove any property belonging to the University, unless specifically agreed with HR following consultation with the Investigating Officer. Any security passes, keys to premises, offices and furniture should be returned.

The Director of Estates and Facilities can advise on the best means of denying access to University premises while the suspect(s) remains suspended. The Chief Information Officer may be instructed to withdraw, without delay, access permissions to the University's IT facilities.

The University Secretary shall consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the suspect(s) may have had opportunities to misappropriate the University's assets.

### **Recovery of Losses**



The FRG shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases.

Where the loss is substantial, the University's insurers should be notified and legal advice should be obtained without delay about the need to freeze the suspect's assets through the courts, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment, and from existing pension funds. Where recovery from the individual(s) is not feasible, the University should consider claiming against any relevant insurance policies.

The University would normally expect to recover costs in addition to losses.

## **Reporting**

During the investigation, the FRG will provide updates to the Vice-Chancellor. Reports should include quantification of losses; progress with recovery action; progress with disciplinary proceedings; progress with criminal action; estimate of resources required and timescales to conclude the investigation; actions taken to prevent and detect similar incidents.

Audit and Risk Committee will be advised of all reports of actual or suspected fraud and progress of investigations.

The Vice-Chancellor shall report any incident of actual or suspected fraud to the Regulator or other funding body (in accordance with their reportable incidents requirements) and the Chair of Council if any of the following circumstances apply:

The loss, theft, or fraud of charity assets or other irregularity where money involved is, or is potentially, in excess of £25,000.

A case reveals systemic weaknesses of concern beyond the institution.

The particulars of the fraud are novel, unusual or complex.

There is likely to be public interest because of the nature of fraud or the individuals involved.

The Vice-Chancellor shall ensure that any departure from this policy is reported and explained promptly to the Chair of Council and the Chair of the Audit and Risk Committee.

### **Further Action**

Any request for a reference for a member of staff or a student who has been disciplined or prosecuted for fraud shall be referred to the Director of HR (staff) or the Academic Registrar (students), who shall approve any response to a request for reference.

## **6.0 EQUALITY AND DIVERSITY**

This policy has been designed to ensure that no-one receives less favourable treatment due to protected characteristics.

Investigations will take place without regard to position, length of service, or relationships.

## **7.0 RELATED INFORMATION**

- Financial Regulations (including guidance on receiving gifts or hospitality)
- Disciplinary Regulations
- Public Interest Disclosure Policy (Whistleblowing)
- Anti-Money Laundering Policy
- Non-Academic Misconduct Procedure

## **VERSION CONTROL**

Approval date: 14 May 2024

Approved by: Council

Contact for further information: University Secretary's Office