

Anti-Fraud Policy and Response Plan

PART 1

1. Introduction

1.1 The policy is designed to ensure that SGUL:

- is safeguarded against occurrence, through promoting an anti-fraud culture and the operation of sound systems of internal control
- has systems to facilitate detection
- has a plan for responding to any occurrence.

1.2 Policy Statement

- 1.2.1 St George's, University of London (SGUL), is committed to preventing acts of fraud, bribery and corruption, whether initiated within SGUL, or by external sources. SGUL is committed to promoting an anti-fraud culture and reducing the opportunities for fraud and corruption to the lowest possible level of risk. A separate Corruption policy is available. Implementation of this policy is the responsibility of the members of the SGUL Senior Management Team. All matters of fraud and corruption are reported to the Audit Committee, and the Director of Finance will report routinely at least twice a year on matters of Fraud. This policy is approved by the Audit Committee and Council.
- 1.2.3 It is expected that all staff and students will comply with legal requirements and with all regulations, procedures and practices of SGUL including the obligation to report all reasonable suspicions of fraud.
- 1.2.4 Fraud and corruption will not be tolerated. SGUL will investigate all instances of attempted and suspected fraud committed by staff, students, consultants, suppliers and other third parties and will seek to recover funds and assets lost through fraud. Perpetrators will be subject to appropriate disciplinary or legal action.
- 1.2.5 All staff are notified of their responsibilities in relation to protecting SGUL from Fraud and Corruption at the start of their employment. This policy is available on the SGUL web site and is brought to the attention of all staff from time to time. The Director of Finance and ~~Corporate Services~~ is responsible for ensuring that all staff are aware of their responsibilities under this policy and that appropriate training is available. Staff Development will be responsible for delivering the training.

- 1.2.6 The Director of Finance ~~and Corporate Services~~ will monitor compliance with this policy in conjunction with the Senior Management Team.

2. What is Fraud?

- 2.1 Fraud encompasses irregularities and illegal acts which are characterised by an intention to deceive or mislead, and where the individual knows the information is false or at least has good reason to suppose that it is not true. Fraud is likely to result in an unauthorised benefit to an individual but could also be to the benefit of SGUL. Fraud in Higher Education does not always relate to financial matters and could also be to achieve other benefits such as an improved research reputation, results or funding.

Examples include:

- acceptance of bribes or bribing others
 - claims submitted for goods not received
 - intentional failure to act in circumstances where action is required by SGUL or law
 - intentional misrepresentation of events or data
 - theft
 - unauthorised or illegal use of confidential information, intellectual property and other assets
 - intentional and improper representation of the SGUL's assets to a third party
- 2.2 Individuals can be prosecuted under the Fraud Act 2006 and the Bribery Act 2010 if they make a false representation, fail to disclose information or abuse their position.

3. Protecting SGUL

3.1 Checking References and Qualifications

New members of staff should be screened before appointment. In most cases it is sufficient to obtain and check a previous reference and check any qualifications where appropriate. Staff with financial responsibilities must have references to cover a reasonable continuous period and HR should also obtain an up-to-date DBS report. Appropriate checks should also be made on staff working with children or vulnerable adults. It is the responsibility of the Director of Human Resources to ensure that processes for the appropriate checks are in place.

3.2 Internal Control

- 3.2.1 This is an essential measure in avoiding occurrences of fraud. In addition to SGUL's policies on matters like the processing of expense claims, tendering for contracts and accepting hospitality, all processes which could be open to fraud or corruption should involve effective management controls such as the segregation of duties, checking of exception reports and the random checking of transactions.

3.2.2 All managers have specific responsibilities for preventing and reporting fraud. In particular:

- Monitoring compliance with internal controls and agreed policies and procedures e.g. Financial Regulations, checking staff lists and budget reports, proper control over cash transactions and holdings.
- identifying unusual behaviour in staff members such as regular late working without obvious reason or suspected alcohol or gambling problems. Advice should be sought from HR on how to address these matters
- notifying appropriate staff of any indications of fraudulent activity.
- Assisting in the investigation of suspected fraud.

3.2.3 All staff are responsible for:

- Ensuring that the SGUL's reputation and assets are protected against fraud.
- Reporting known or suspected fraud.
- Assisting in the investigation of fraud

3.2.4 SGUL's Financial Regulations provide clear guidance on issues of financial responsibility. All Directors of Institutes , Directors of Professional Services, and other Senior Staff are responsible for ensuring they have familiarised themselves with the Regulations. These are available on the Finance Department's web pages. The Director of Finance is responsible for ensuring that the Financial Regulations are regularly reviewed and updated and that appropriate processes are in place to ensure compliance.

3.2.5 SGUL has clear guidance on purchasing and procurement. Directors of Institutes and Directors of Professional Services are responsible for ensuring that staff involved in purchasing and procurement are familiar with the guidance which is available on the Procurement Services web page:

<https://www.sgul.ac.uk/about/governance/policies/staff-only-policies/procurement-policy-and-guide>

The Procurement Manager is responsible for overseeing all matters relating to procurement within SGUL.

3.2.6 All staff making claims for expenses are required to make any claims within the terms of SGUL's Expenses Policy (Travel, Subsistence & Hospitality) which is available on the Finance Department's web pages <https://www.sgul.ac.uk/about/our-professional-services/finance>

There is also a policy which provides guidelines on the acceptance of hospitality and gifts.

3.3 Internal and External Audit

Planned audit work is used to review and provide assurance on performance, processes and controls across the full range of SGUL's activities. All staff are required to comply with requests for information or assistance made by the Internal or External Auditors.

4 **Reporting**

Members of Staff are essential in identifying occurrences of fraud and corruption and should raise any concerns with the Chief Operating Officer and their Institute Director in line with SGUL's Financial Regulations and the Whistleblowing Policy (available on the web page: <https://www.sgul.ac.uk/about/governance/policies/whistleblowing-and-public-interest-disclosure>)

The latter document reinforces SGUL's Financial Regulations and provides protection for staff reporting incidents of suspected fraud or corruption from victimisation. Matters may be raised in confidence but where an investigation is undertaken it should be recognised that it may not be possible to maintain complete confidentiality. Where it is not appropriate for the matter to be reported to an Institute Director or the Chief Operating Officer the matter can be reported directly to the Chair of the Audit Committee.

Students should raise any concerns using the Student Raising and Escalating Concerns Policy.

Other Relevant Policies

Financial Regulations and scheme of approval.
SGUL Tendering and Procurement Regulations and Guidance

Anti-Bribery Corruption Policy
Gift Acceptance Policy
Whistleblowing Policy
Policy on Commercial Ethics
Conflicts of Interest and Business Dealings
Research Misconduct Policy
Policy and Procedure on Reportable Events (Office for Students)

Part 2

Response Plan

This purpose of this plan is to allocate responsibilities for action and reporting lines in the event of a suspected fraud or irregularity.

1. Initiating Action

- 1.1. Actual or suspected frauds or irregularities may be identified through a number of mechanisms, including:
 - operation of internal controls
 - reported by staff in accordance with Financial Regulations or using the Whistleblowing and ~~Public Interest Disclosure~~ Policy
 - reported by students using the Student Concerns and Complaints Procedure
 - reported by third parties;
 - as a result of Internal or External Audit review.
- 1.2. All actual or suspected incidents should be reported to the Chief Operating Officer.
- 1.3. The Chief Operating Officer will discuss the matter with the Principal, and if appropriate the Institute Director or Director of Professional Services area of or the Dean of Students (in the case of an issue raised by a student).
- 1.4. If as a result of these consultations it is clear to the Chief Operating Officer that any possible irregularity is of minimal effect and has arisen by accident, mistake, or incompetence rather than wilful intention, the Chief Operating Officer will keep a formal record of this conclusion, and of any action taken. The Chief Operating Officer will inform the initiator of this decision.
- 1.5. In any other case the Chief Operating Officer will immediately ask an appropriate manager to conduct a preliminary investigation to establish whether there is a *prima facie* case for full investigation. If a *prima facie* case is established the Chief Operating Officer will immediately brief and consult with the Principal – and the Chair of the Audit Committee where it is likely that the extent of the fraud will require notification to the Office for Students – and subsequently keep them informed of developments as appropriate.
- 1.6. The Chief Operating Officer, the Director of Human Resources, the Director of Governance Legal and Assurance Services and SGUL's General Counsel (and, if necessary, on the advice of SGUL's external legal representatives), will determine what further investigative action is necessary following the report detailed in Part Two, Paragraph 1.5 above.

Whenever and wherever the circumstances allow, the investigation will be referred to the Police at the earliest opportunity, in order to pursue criminal proceedings.

- 1.7 If it is determined that a full investigation should be undertaken the Chief Operating Officer will appoint a Fraud Investigation Panel (Paragraph 2.1, Part 2).
- 1.8 If no *prima facie* grounds are established action will be taken in accordance with Paragraph 1.4, Part 2).

2. Investigation

- 2.1. Where a full internal investigation is required the Chief Operating Officer will appoint a Fraud Investigation Panel, normally consisting of the Chief Operating Officer (as Chair), the Director of Human Resources, the Director of Governance, Legal and Assurance Services, and the relevant Director of Institute/Professional Services or the Dean Students (in any case raised by a student) . For smaller investigations, the Chief Operating Officer Services, may choose to appoint directly an Investigation Officer. The panel will consider the following:

- the appointment of an Investigation Officer;
- the initial scope of the investigation, with particular consideration given to restricting the scale of loss and maximising recovery of assets;
- the make up of the investigation team (to include, where necessary, staff from backgrounds appropriate to the nature of the investigation - especially where computerised records are involved, or interviews under Police and Criminal Evidence Act (PACE) conditions may be required;
- instruction for any immediate action required at the point of discovery, especially as regards the protection of evidence;
- the need to use other external advisers, SGUL's external solicitor or insurers;
- the need to complete the full investigation with all due speed, though without compromising a comprehensive and thorough examination of the evidence available;
- the need to safeguard the rights of any staff involved in, or affected by, the investigation;
- the need to protect the initiator from harassment or victimisation for reporting their suspicions;
- the need to protect the rights of the respondent, particularly as regards providing an opportunity at the appropriate time to comment on the allegations made;
- the need to minimise disruption to operational activities and routines.

- 2.2. The Investigation Officer will report on progress to the Fraud Investigation Panel on at least a weekly basis during the investigation.

3. Investigation Reporting Procedures

- 3.1 On completion of the investigation, the Investigation Officer will produce a written report for the Fraud Investigation Panel, or the Chief Operating Officer directly, for smaller investigations. Once approved, the Panel Chair will submit the Report to the Principal, together with the Panel's recommendations for further action. The report will include the following:

- a conclusion as to whether the allegations of fraud, corruption or other financial irregularity have any substance;
- the comments of the respondent in respect of the allegations made;
- the nature and extent of the irregularity;
- its effects upon SGUL;
- who was involved (including those staff and/or management whose failure to exercise appropriate supervision or control may have contributed to the fraud);
- internal control weaknesses which may have allowed the irregularity to occur, with recommendations to improve those systems of control.

3.2 The Principal will consider the principal findings and conclusions which should include recommendations whether:

- SGUL should proceed with legal action through criminal or civil actions, if not already in progress (Paragraph 1.6, Part 2);
- SGUL should recommend disciplinary action in accordance with its disciplinary procedures against any member(s) of staff or students where upheld allegations of fraud could constitute gross misconduct;
- Any action that is necessary to prevent or detect further fraud, corruption or other potentially similar irregularities elsewhere in SGUL.

3.3 Any legal proceedings or other related actions will be conducted or directed by the Chief Operating Officer. Any disciplinary action taken will be in accordance with SGUL's disciplinary procedures. Where the fraud or irregularity is of sufficient seriousness it will be reported in accordance with the the Policy and Procedure for Reportable Events to the Office for Students (available from the Director of GLAS)

3.4 If any of the office-holders named in this document have a direct management responsibility for the area under investigation, or are otherwise implicated in the suspected irregularity, they will have no involvement in the procedures. In such cases their role will be taken by another senior officer of SGUL.

4. Recovery of Losses

4.1 All reasonable efforts will be made to recover any losses suffered as a result of a fraud perpetrated on SGUL.

5. Reporting

5.1 All fraud and corruption investigations must be reported to the Audit Committee as soon as is reasonably practicable. The report should include a brief description of the incident, the value of any loss, the means of perpetrating the fraud, the measures taken to prevent a recurrence and any further actions that are required. This report will be prepared by the Chief Operating Officer.

Approved - 20 October 2020

**Anti Fraud Policy
Flow Chart
Response Plan**

