

# **NCIUL ANTI-FRAUD POLICY**

## **ADM-AFP 118**

## **CONTENTS**

<b>INTRODUCTION.....</b>	<b>3</b>
<b>DEFINITION OF FRAUD .....</b>	<b>3</b>
<b>KEY RESPONSIBILITIES.....</b>	<b>3</b>
<b>REPORTING NON-STUDENT FRAUD.....</b>	<b>4</b>
<b>REPORTING STUDENT FRAUD.....</b>	<b>4</b>
<b>REFERRAL TO EXTERNAL AGENCIES.....</b>	<b>4</b>
<b>PREVENTION OF FURTHER LOSS .....</b>	<b>4</b>
<b>ESTABLISHING AND SECURING EVIDENCE.....</b>	<b>5</b>
<b>RECOVERY OF LOSSES.....</b>	<b>5</b>
<b>REFERENCES FOR EMPLOYEES DISCIPLINED OR PROSECUTED FOR FRAUD.....</b>	<b>5</b>
<b>THE ROLE OF THE ETHICS COMMITTEE.....</b>	<b>5</b>
<b>COMMUNICATION (INCLUDING TRAINING).....</b>	<b>6</b>
<b>REVIEW PROCESS .....</b>	<b>6</b>

## **INTRODUCTION**

NCIUL is committed to preventing fraud, to promoting an anti-fraud culture and we are committed to conducting business in a legal and ethical manner. We operate a zero-tolerance attitude to fraud.

All members of staff, students and other associated persons or group acting on the behalf of NCIUL, are individually responsible for acting honestly and with integrity at all times. Every individual associated with NCIUL is required to ensure that their activities, interests and behaviours do not conflict with the obligation to act honestly and with integrity, regardless of their seniority.

All members of staff, students and other associated persons or group acting on the behalf of NCIUL are required to report all reasonable suspicions of fraud.

NCIUL adheres to a clear and fair investigation procedure in case of suspected, attempted or actual fraud or irregularity. We will investigate all instances of actual, attempted and suspected fraud committed by staff, students, consultants, suppliers and other third parties and will aim to recover funds and assets lost through fraud. According to the results of our investigation, perpetrators will be subject to disciplinary and/or legal action.

The purpose of this policy is to provide a definition of fraud and define authority levels, responsibilities for action, and reporting lines in the event of suspected, attempted or actual fraud or irregularity perpetrated by an individual against NCIUL

## **DEFINITION OF FRAUD**

NCIUL has a clear definition of fraud, underpinned by national, statutory, OU regulations and other relevant regulations. The Fraud Act 2006 provides a framework of potential areas within which an individual may be found guilty of fraud if in breach.

Fraud is considered to have been committed by a person for the purpose of a) making a gain for themselves or another; or b) causing a loss to another or to expose another to a risk of loss:

These situations include:

- False representation: a person commits a fraud if they intentionally and dishonestly make a false representation.
- Failing to disclose information: a person commits a fraud if they dishonestly fail to disclose information.
- Abuse of position: a person commits a fraud if they dishonestly abuse their position.

## **KEY RESPONSIBILITIES**

The Provost, or other individual nominated by the Provost, is responsible for developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud; and is supported by the Ethics Committee in the development of suitable controls in respect of students.

Associate Deans are responsible for familiarising themselves with the types of fraud and dishonesty that might occur within their Faculties, monitoring compliance with internal controls and agreed policies and procedures, and notifying their line manager (or any other appointed person) of any indications of fraudulent activity.

Suspicion of fraud or irregularity may be reported through several means, including but not limited to the following:

- Individuals reporting suspicions of fraud or irregularity to their line manager
- Individuals using the Whistleblowing Policy;
- Identification through operational procedures;
- Discovery through planned audit work.

### **REPORTING NON-STUDENT FRAUD**

All suspected or actual incidents of fraud / irregularity allegedly perpetrated by individuals other than students, should be reported without delay to their line manager. If appropriate a meeting with the Chair of the Ethics Committee should be held, in order to decide on the initial response.

### **REPORTING STUDENT FRAUD**

All suspected or actual incidents of fraud concerning a student or prospective applicant should be reported without delay to the Registrar, who will then consult with the Chair of the Ethics Committee. A meeting of the Ethics Committee will be held as appropriate and as soon as possible. The Ethics Committee will give advice and guidance as to the further conduct of any investigation and if required, escalate the issue to the Associate Dean or if need be, escalate matters to the Dean.

### **REFERRAL TO EXTERNAL AGENCIES**

In the case of suspected staff fraud, the Executive Board will decide when a case should be reported to the police or other external agency. In the case of suspected student fraud, the Associate Dean will decide when a case should be reported to the police or other external agency.

The Associate Dean or a member of the Executive Board will update the Open University of actual and suspected case, and will update and seek advice if necessary.

### **PREVENTION OF FURTHER LOSS**

Where initial investigation provides reasonable grounds for suspicion of fraud, the Executive Board will decide how to prevent further loss. If the individual is a student or an employee this may require the suspension (in case of an employee, this can be with or without pay), of the person(s) alleged to have committed the suspected fraud / irregularity.

It may be necessary to plan the timing of suspension to prevent the individual(s) from destroying or removing evidence that may be needed to support disciplinary or

criminal action. In that case, plans to prevent subsequent access to institution property and / or withdrawal of permissions for NCIUL computer systems may be agreed upon.

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

## **ESTABLISHING AND SECURING EVIDENCE**

The Executive Board will:

- maintain familiarity with the NCIUL's disciplinary procedures, to ensure that evidential requirements are met during any fraud investigation;
- establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act;
- ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings. This will usually involve the appointment of specialist fraud investigators;
- ensure that The Ethics Committee are able to provide advice in accordance with the NCIUL's whistleblowing policy.

## **RECOVERY OF LOSSES**

Recovering losses is a major objective of any fraud investigation. The Provost (or other person nominated by the Provost) shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases.

Everyone involved will, as necessary, consider seeking legal advice, for example on the freezing of the suspect's assets in cases of substantial loss and on the recovery of losses and costs through the civil courts.

## **REFERENCES FOR EMPLOYEES DISCIPLINED OR PROSECUTED FOR FRAUD**

Any request for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to HR Office. Human Resources shall prepare any answer to a request for a reference having regard to employment law.

## **THE ROLE OF THE ETHICS COMMITTEE**

Any variation from the approved Anti-Fraud Policy, together with reasons for the variation, shall be reported promptly to the chairs of both Executive Board and the Ethics Committee.

The Chair of The Ethics Committee will be kept informed of the progress of any investigations relating to impropriety including:

- a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud;
- the measures taken to prevent a recurrence;

- any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.

This report will be presented as part of the updates given in regular meetings.

### **COMMUNICATION (INCLUDING TRAINING)**

NCIUL ensures that its fraud prevention and associated policies and procedures are embedded and understood throughout the organisation through internal and external communications, including training that is proportionate to the risk it faces.

The HR Officer is responsible for ensuring all employees receive appropriate training and are also responsible for the communication of NCIUL's Anti-Fraud Policy and other relevant policies to associated person(s). They are also required to monitor and review their procedures and action plans to ensure their suitability, adequacy and effectiveness in relation to this Policy and implement improvements as appropriate.

### **REVIEW PROCESS**

This Policy is reviewed and updated annually to ensure fitness for purpose by the HR Office, The Ethics Committee and the Equality and Diversity Committee.

<b>Name of policy or procedure:</b>	Anti-Fraud Policy
<b>Document owner:</b>	HR Office
<b>Created:</b>	03/2017
<b>Last reviewed:</b>	03/2019
<b>Responsibility for review:</b>	HR Officer Ethics Committee Equality and Diversity Committee
<b>Date of next review:</b>	10/2019
<b>Related documents:</b>	Whistle-blowing policy Anti-bribery and corruption policy Disciplinary policies Appeals policies Complaints policies
<b>Approved by:</b>	HR Office April 2017
<b>Equality impact Assessment undertaken:</b>	04/2017
<b>Version</b>	
V 2.2	Logo change