

CANTERBURY CHRIST CHURCH UNIVERSITY

FRAUD AND BRIBERY RESPONSE PLAN

Purpose and Scope

1. Management and staff are likely to have little experience in dealing with fraud or bribery and, when suspected cases arise, may be unsure of the appropriate action to take. The purpose of the Fraud and Bribery Response Plan ('the Plan') is to document the procedures in the event of reported or suspected fraud, bribery or irregularity, together with defining authority levels, responsibilities for action, and reporting lines. The objective is to safeguard the proper use of the University's finances and resources, including those of its subsidiary companies, and the University's reputation probity in the conduct of its business by its staff and those acting on behalf of the University
2. There is an expectation by the Office for Students (OfS) that each higher education institution has an established Plan. To this end, the Plan is based on the specimen provided by the OfS, amended to take account of the Bribery Act 2010. The reason for establishing this Plan is so the University is able to respond appropriately if the need arises; it is not a reflection on the probity of any member of the University.
3. The use of the Plan should enable the University to:
 - establish lines of communication with the police
 - prevent further loss or perpetration of the offending behaviour
 - establish and secure evidence necessary for criminal and disciplinary action
 - assign responsibility for investigating the incident
 - establish circumstances in which external specialists should be involved
 - notify the OfS and the Charity Commission, if the circumstances are covered by the mandatory requirements of these regulatory bodies
 - keep relevant personnel suitably informed about the incident and the University's response
 - recover any losses
 - punish the culprits
 - deal with requests for references for employees disciplined or prosecuted for fraud or bribery
 - review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud or bribery
4. The procedures set out in this Plan apply to members of the Governing Body, all members of staff employed by the University, temporary members of staff, agents, intermediaries, contractors and students. These procedures also cover incidents that involve the alleged misuse of information or actions that impair the integrity of the assessment process arising from bribery and other corrupt practices.
5. This Plan does not extend to Canterbury Christ Church University Students' Union, as separate arrangements govern the investigation by that body of any actual or suspected fraud or bribery.

Initiating action

6. Suspicion of fraud, bribery or other irregularity may be captured through a number of means, including the following:
 - the operation of proper procedures
 - the requirement on all personnel to report fraud, bribery or irregularity
 - the public interest disclosure procedure ('whistle-blowing')
 - planned audit work

Notification of suspected fraud or bribery

7. All actual or suspected incidents are reportable immediately to the Chief Financial Officer or, in the case of bribery, the University Solicitor, who will become the Investigating Officer. There are special arrangements for the Chief Financial Officer, the Assistant Director of Finance, the Head of Financial Planning & Systems, and members of the Governing Body, which are set out below.
8. The Investigating Officer will determine whether to investigate a suspected incident under the University's Disciplinary Procedure or this Plan. Normally, the Investigating Officer will determine that an investigation will take place under the University's Disciplinary Procedure for 'minor' infringements, and the Plan will be used for 'major' suspected wrongdoing.
9. If the investigation of an incident is to take place under the Plan, the Investigating Officer will decide on the initial response and take such steps as are necessary to:
 - Establish and secure evidence
 - Notify the necessary individuals, committees, and outside authorities
 - Recover any loss (in the case of fraud) Prevent further loss (in the case of fraud)
 - Prevent any further risk of bribery
10. An Incident Response Group will support the Investigating Officer drawn from the following:
 - The Chief Financial Officer (when not the Investigating Officer)
 - University Solicitor (when not the Investigating Officer)
 - Assistant Director of Finance
 - Director of Human Resources and Organisational Development
11. The Chief Financial Officer will determine how the Incident Response Group will operate. This includes individual consultation as well as face-to-face meetings of all members of the group.
12. To ensure speedy action, the Chief Financial Officer may consult members of the Incident Response Group individually. The Incident Response Group will advise the Chief Financial Officer on the necessary measures to enable the formulation of a plan of action. This will normally include an investigation, led by an Investigating Officer.

13. The decision to initiate an investigation shall constitute sufficient authority to any person, authorised by the Chief Financial Officer to conduct, in whole or in part, an investigation for this purpose.
14. The Chief Financial Officer may invite the internal or external auditors to lead the investigation, as the circumstances require. This will depend on the severity of the suspected fraud.
15. In cases that involve or may involve students, the Deputy Vice Chancellor and the Senior Pro Vice Chancellor (Education, Enhancement and Student Experience) will be informed at an early stage.
16. In all the above cases, the Chief Financial Officer will inform, at an early stage the Vice-Chancellor, the University Solicitor, the Director of Information Technology and the Director of Marketing.
17. The Assistant Director of Finance will notify the Insurance Officer at an early stage, to ensure the prompt addressing of insurance matters.
18. The University Solicitor will seek expert legal advice, if required.
19. There will be an immediate report made by the Chief Financial Officer to the internal auditors of more serious, or novel, cases of fraud or bribery.

Notification of suspected incidents involving the Chief Financial Officer, the Assistant Director of Finance or the University Solicitor

20. All actual or suspected incidents that concern the Chief Financial Officer, the Assistant Director of Finance or the University Solicitor are reportable immediately to the Vice-Chancellor. In allegations that concern the Chief Financial Officer, the Assistant Director of Finance or the University Solicitor the investigation will be led by the Vice-Chancellor, following the procedures outlined above. In all such cases, the internal auditors will be informed immediately and commissioned to carry out the investigation into the allegations.

Notification of suspected incidents involving the Vice-Chancellor

21. All actual or suspected incidents that concern the Vice-Chancellor are reportable immediately to the Pro-Chancellor (Chair of the Governing Body) and to the Clerk to the Governing Body/University Solicitor. In allegations that concern the Vice-Chancellor, the investigation will be led by the Pro-Chancellor (Chair of the Governing Body) or Deputy Pro-Chancellor (Vice Chair of the Governing Body). The internal auditors will be commissioned to carry out any investigation into the allegations concerning the Vice-Chancellor.

Notification of suspected incident involving a member of the Governing Body

22. All actual or suspected incidents that concern a member of the Governing Body (other than the Pro-Chancellor) are reportable immediately to the Pro-Chancellor (Chair of the Board of Governors) and to the Clerk to the Governing Body. In allegations that concern a member of the Governing Body, the investigation will be led by the Pro-Chancellor (Chair of the Governing Body).

Notification of suspected fraud involving the Chair of the Governing Body

23. All actual or suspected incidents that concern the Pro-Chancellor (Chair of the Governing Body) are reportable immediately to the Vice-Chancellor and to the Clerk to the Governing Body. In allegations that concern the Pro-Chancellor (Chair of the Governing Body), the investigation will be led by a Deputy Pro-Chancellor (Vice Chair of the Governing Body) and the Clerk to the Governing Body. The internal auditors will be commissioned to carry out any investigation into the allegations concerning the Pro-Chancellor.

Prevention of further loss

24. Where initial investigation provides reasonable grounds for suspecting an individual, or a group of individuals, of fraud, the Chief Financial Officer will decide how to prevent further loss, taking advice from the Incident Response Group. This may include the suspension, with or without pay, of those members of staff under suspicion, in accordance with University procedures. Where appropriate, it may be necessary to take similar action in the case of students, contractors or temporary members of staff. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be required to support disciplinary or criminal action.
25. If a culprit is aware that an investigation is in progress, there may be an attempt to frustrate disciplinary or legal action by destroying or removing evidence. Therefore, it is vital to approach unannounced the suspect(s), who should be kept under supervision at all times before leaving the University's premises. The suspect(s) may collect personal property under supervision, but should not be able to remove any property belonging to the University. The suspect(s) will be asked to return any security passes and keys to premises, offices and furniture. The University Solicitor will supervise this process.
26. The University Solicitor will advise, through seeking advice, on the best means of denying access to the University, while suspects remain suspended, for example by changing locks and informing the security staff not to admit the individuals to any part of the premises. Similarly, the Director of Information Technology is to arrange for the immediate withdrawal of access permissions to the University's computer systems. This is to include cancellation of all passwords to University systems.
27. The Chief Financial Officer 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.

Establishing and securing evidence

28. The major objectives in any fraud investigation will be the punishment of the perpetrators, and acting as a deterrent. The University will follow the disciplinary procedures against any member of staff who has committed fraud.
29. The University will normally pursue the prosecution of any such individual. Prosecution is a particularly effective deterrent because of the risk of a custodial sentence and a criminal record. However, the threat of prosecution only deters if the threat is real. Therefore, each case arising will normally result in reference to the police, irrespective of the status of the individual.

30. The Chief Financial Officer will:

- maintain familiarity with the University's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation
- following consultation with the Vice-Chancellor, or in the absence of the Vice-Chancellor the Deputy Vice-Chancellor or other designated member of the Senior Management Team acting for the Vice-Chancellor, establish and maintain contact with the police or other government enforcement agency
- ensure that staff involved in investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

31. To be admissible in court, interviews with suspects must be conducted under rules defined in the Police and Criminal Evidence Act 1984. Interviews should normally be conducted by police officers or with their advice. The Investigating Officer will establish whether there is a need for staff involved, or likely to be involved, with investigation to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act 1984.

Notifying the OfS and the Charity Commission

32. The circumstances in which the University must inform the OfS about actual or suspected frauds are set out in the OfS Terms and conditions of funding for higher education institutions. These are where there is any serious weakness, significant fraud or major accounting breakdown.

33. The reporting of actual or suspected fraud is defined by the Charity Commission in the commission's tool kit, available on the .Gov.UK website. The definition of a significant fraud is in line with the OfS requirements.

34. A serious weakness includes one that has resulted in an attempted, suspected, or actual significant fraud or irregularity. Significant fraud is usually where one or more of the following apply:

- a. The sums of money involved are, or potentially are, in excess of £25,000.
- b. The particulars of the fraud are novel, unusual or complex.
- c. There is likely to be public interest because of the nature of the fraud or the people involved.

35. The Vice-Chancellor is responsible for informing the OfS and the Charity Commission of any such incidents. The Clerk to the Governing Body will inform the OfS and Charity Commission in any case involving the Vice-Chancellor.

36. In all cases where the OfS and Charity Commission is informed of any fraud, the internal auditors will receive notification at the same time.

Recovery of losses

37. Recovering losses is a major objective of any fraud investigation. The Chief Financial Officer shall ensure that, in all fraud investigations, there is the quantification of the amount of any loss. The University will seek the repayment of losses in all cases.

38. Where the loss is substantial, the University Solicitor will immediately obtain legal advice about the need to freeze the suspect's assets, through the court, pending conclusion of the investigation. The University Solicitor will also seek legal advice about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The University would normally expect to recover costs in addition to losses.

References for employees disciplined or prosecuted for fraud or bribery

39. Any request for a reference for a member of staff disciplined, or prosecuted, for fraud or bribery needs referring to the Director of Human Resources. The Director of Human Resources will consult with the University Solicitor in ensuring that any reference accords with employment law principles.

Reporting to the Governing Body

40. The Vice-Chancellor shall report immediately any incident matching the criteria in the OfS and Charity Commission guidance to the chairs of both the Governing Body and the Audit Committee.
41. The Chief Financial Officer shall report promptly any significant variation from the approved Plan, together with reasons for the variation, to the chairs of both the Governing Body and the Audit Committee.
42. On completion of a special investigation, a written report shall be submitted to the Audit Committee containing:
- a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud or bribery
 - the measures taken to prevent a recurrence
 - any action needed to strengthen future responses to fraud or bribery, with a follow-up report on the actions taken.
43. The Chief Financial Officer will normally prepare this report in respect of fraud and the University Solicitor in respect of bribery.

Reporting lines

44. The Incident Response Group shall provide a confidential report to the Pro-Chancellor (Chair of the Governing Body), the Chair of the Audit Committee, the Vice-Chancellor and the external audit partner at least monthly, unless the report recipients request a lesser frequency. The scope of the report shall include:
- quantification of losses
 - progress with recovery action
 - progress with disciplinary action
 - progress with criminal action
 - estimate of resources required to conclude the investigation
 - actions taken to prevent and detect similar incidents.
45. The individual(s) under investigation will be informed of the outcome, when the report has been completed.

Responsibility for investigation

46. An investigation under the Plan will follow, where appropriate, the principles and procedures detailed in the University's Disciplinary Procedures.
47. Those charged with the investigation will have unrestricted right of access to all vouchers, documents, accounts, computer data, and any other information considered relevant to the investigation, and which is necessary to complete the enquiries. This includes the right to verify assets and have direct access to any employee or person responsible for the administration or management of University resources with whom it is felt necessary to raise and discuss such matters. All managers should co-operate with requests for assistance in respect of any investigation.
48. All investigations shall be completed in a timely manner.
49. Some special investigations may require the use of technical expertise that the University does not possess. In these circumstances, the Incident Response Group may approve the appointment of external specialists to lead or contribute to the special investigation.
50. Any disciplinary action arising from the investigation will follow the procedures set out in the appropriate University Disciplinary Procedures.

Review of the Plan

51. There will be a review of this plan by the Chief Financial Officer fitness of purpose at least every three years, or after each use. The Finance and Resources Committee will approve changes to the plan, with the exception of changes of office title included in the plan and minor changes of procedure, which may be authorised by the Chief Financial Officer.