

# **Anti-Fraud, Bribery & Corruption Policy**

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## Associated documents

1. College Whistleblowing Policy
2. College Financial Regulations
3. College Financial Handbook
4. College Disciplinary Policy
5. Economic Crime and Corporate Transparency Act 2023

## 1. Background

- 1.1 The City of Portsmouth College (CoPC), with campuses at Highbury, North Harbour, Arundel and Sixth Form, requires all staff to act honestly, with integrity, and to safeguard the resources for which they are responsible. CoPC has a zero-tolerance approach to fraud, bribery and corruption. CoPC conducts all of its activities in accordance with the Bribery Act 2010 and the Fraud Act 2006. CoPC is committed to investigate and deal appropriately with any case, suspected or actual. CoPC is also committed to implementing effective systems, processes, and controls to ensure that opportunities for fraud and corruption are reduced to the lowest possible level.

## 2. What is Fraud, Bribery and Corruption?

- 2.1 **Fraud:** Any person who dishonestly makes a false representation to make a gain for themselves or another, or cause a loss, or risk of loss, to another; dishonestly fails to disclose to another person information which they are under a legal duty to disclose; or commits fraud by abuse of position, including any offence as defined in the Fraud Act 2006.
- 2.2 **Bribery:** Giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so, in order to gain an advantage, whether personal or commercial.
- 2.3 **Corruption:** The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.

## 3. Purpose

- 3.1 The purpose of this document is to:
- identify the preventative controls that are in place and ensure that they are working to prevent instances of fraud, bribery, and corruption;
  - to give clear guidance of the procedures to be followed if employees or other stakeholders suspect, or are concerned about fraudulent or corrupt activities; and
  - to identify who is responsible for the internal controls and procedures that relate to the prevention and investigation of fraudulent and corrupt activity.

## 4. Scope

- 4.1 This policy and procedure applies to all individuals working for CoPC, including governors, managers, employees, contractors, volunteers, and Agency Staff (collectively referred to as “employees” in this policy and procedure).

## 5. Organisational Responsibilities

- 5.1 The Corporation has overall responsibility for ensuring that this policy complies with CoPC’s legal and ethical obligations and to ensure that it is appropriately monitored and reviewed. The policy will be reviewed every two years and following any incident of fraud, bribery or corruption to measure its effectiveness.
- 5.2 The Principal and Chief Executive Officer (CEO), being the Accounting Officer, has primary and day-to-day responsibility for implementing this policy, for monitoring its use and effectiveness and dealing with any queries on its interpretation. Their responsibilities include:

- establishing and maintaining a sound system of internal control;
  - establishing effective financial regulations, policies and procedures;
  - establishing appropriate mechanisms for reporting the risk of fraud and actual fraudulent activity to the Audit Committee, Internal Audit and the various funding bodies as appropriate;
  - ensuring that prompt and rigorous investigations are carried out upon the identification of suspected or actual fraud;
  - taking appropriate legal and / or disciplinary action where fraud is proven;
  - ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in the future; and
  - taking appropriate action to recover assets and minimise any losses.
- 5.3 In practice, the Principal and CEO delegates the responsibilities identified above to the Chief Operating Officer (COO).
- 5.4 The Director of Finance and the Finance Department are responsible for the day-to-day operation of the system of Internal Control.
- 5.5 The Executive Leadership Team (ELT) and all other managers at the College are responsible for ensuring that those reporting to them are aware of and understand this policy and that all staff are aware of the relevant codes of conduct, rules and regulations that they are required to follow.
- 5.6 Budget Holders are responsible for familiarising themselves with the type of fraud and dishonesty which might occur within their business areas. Budget Holders will monitor compliance with internal controls and agreed policies and procedures. Any indications of fraudulent activity must be reported immediately to the COO.
- 5.7 Financial operations are also open to scrutiny and independently monitored by the College's external and internal auditors. Any audit recommendations are actioned and reported back to the Audit Committee.
- 5.8 The general framework of policies and responsibilities for financial management are documented in the CoPC Financial Regulations. The Financial Regulations are reviewed and approved periodically by the Corporation.

## **6. Your Responsibilities**

- 6.1 You must ensure that you read, understand and comply with this policy.
- 6.2 The prevention of fraud, bribery and corruption and the safeguarding of public funds controlled by CoPC are the responsibility of everyone working for CoPC or under the control and direction of CoPC. You must act with honesty, integrity and propriety in the use of College resources and the use of public funds when you are involved with cash, payment systems and receipts when dealing with contractors, suppliers or any other aspects of CoPC's business.
- 6.3 You must notify your Line Manager or a member of the ELT as soon as possible if you believe or suspect that a breach of this policy has occurred or may occur in the future. Managers must not attempt to investigate any allegation themselves but should refer the concerns in line with CoPC's Whistleblowing Policy as soon as possible.

## 7. Fraud

7.1 The Fraud Act 2006 identifies three ways of committing the general offence of fraud:

**Fraud by false representation:** defined as a case where a person makes “any representation as to fact or law, express or implied which they know to be untrue or misleading”.

**Fraud by failing to disclose information:** defined as a case where a person fails to disclose any information to a 3<sup>rd</sup> party where they have a legal duty to disclose such information.

**Fraud by abuse of position:** defined where a person occupies a position where they are expected to safeguard, or not act against, the financial interests of another person.

7.2 In all three cases for an offence to have occurred, the person must have acted dishonestly, and that they acted with the intent of making a gain for themselves or anyone else or inflicting a loss (or risk of loss) on another.

## 8. Bribery and Corruption

8.1 All gifts, payments or any other contributions received or made, whether in cash or in kind, shall be documented, regularly reviewed, and properly accounted for on the books of CoPC.

8.2 CoPC procures goods and services ethically and transparently with the quality, price and value for money determining the successful supplier/contractor, not by receiving (or offering) improper benefits. CoPC will not engage in any form of bribery, neither in the UK nor abroad. CoPC and all employees will always comply with the Bribery Act 2010 and with this policy.

8.3 CoPC employees will not request or receive a bribe from anybody, nor imply that such an act might be considered. This means that you will not agree to receive or accept a financial or other advantage from a former, current or future client, business partner, contractor or supplier or any other person as an incentive or reward to perform improperly your function or activities.

8.4 Bribing anybody is absolutely prohibited. CoPC employees will not pay a bribe to anybody. This means that you will not offer, promise, reward in any way or give a financial or other advantage to any person or organisation to induce that person/organisation to perform their function or activities improperly

8.5 CoPC may, in certain circumstances, be held responsible for acts of bribery committed by partners acting on its behalf such as training partners/ subcontractors or other third parties. The use of partners for the purpose of committing acts of bribery is prohibited.

8.6 All partners shall be selected with care, and all agreements with them shall be concluded under terms that are in line with this policy. CoPC will contractually require its agents and partners to comply with this policy and to keep proper books and records available for inspection by CoPC auditors or investigating authorities. Agreements with agents and other partners must always provide for the necessary contractual mechanisms to enforce compliance with the anti-bribery regime. CoPC will monitor performance and, in case of non-compliance, require the correction of deficiencies, apply sanctions, or eventually terminate the agreement even if this may result in a loss of business.

- 8.7 All employees should be aware that bribery will normally, dependent upon the circumstances of the case, be regarded as gross misconduct thus warranting summary dismissal without previous warnings. However, no such action will be taken before a proper investigation and a disciplinary hearing have taken place. Such actions may be in addition to the possibility of criminal prosecution.

## **9. Facilitation Payments**

- 9.1 Facilitation payments are small payments made to secure or expedite the performance of a routine action by an individual/ firm that they are not obligated to perform. Where these are not considered normal in the processing of a transaction/s or contractual arrangement then they can be deemed a possible bribe though context, frequency and value need to pass degree of reasonableness.
- 9.2 Facilitation payments are prohibited under the Bribery Act like any other form of bribe. They shall not be given by CoPC or its employees.

## **10. Gifts and Hospitality**

- 10.1 Courtesy gifts and hospitality must not be given or received in return for services provided or to obtain or retain business but shall be handled openly and unconditionally as a gesture of esteem and goodwill only. Gifts, hospitality and corporate entertainment shall always be of symbolic value, appropriate and proportionate in the circumstances, and consistent with local customs and practices. They shall not be made in cash.
- 10.2 Gifts of up to £20 (received or given) are not prohibited. Gifts of more than this value must be declared to the COO who will determine their use and ownership. Where the COO deems it appropriate for the staff member to keep the gift, this must be declared on a Register of Interests form and retained in records.
- 10.3 No member of staff should accept hospitality (trips, hotels, corporate events) with a value above £100 without prior approval of the COO.
- 10.4 Please refer to CoPC's Financial Regulations and procedures for more guidance.

## **11. Political and Charitable Contributions**

- 11.1 CoPC does not make any contributions to politicians, political parties or election campaigns.
- 11.2 As a responsible member of society, CoPC may make charitable donations. However, these payments shall not be provided to any organisation upon suggestion of any person of the public or private sector to induce that person to perform improperly the function or activities which he or she is expected to perform in good faith, impartially or in a position of trust or to reward that person for the improper performance of such function or activities.
- 11.3 Any donations and contributions must be ethical and transparent. The recipient's identity and planned use of the donation must be clear, and the reason and purpose for the donation must be justifiable and documented. All charitable donations will be publicly disclosed.
- 11.4 Donations to individuals and for-profit organisations and donations paid to private accounts are incompatible with CoPC's ethical standards and are prohibited.

## 12. Sponsoring

- 12.1 Sponsoring means any contribution in money or in kind by CoPC towards an event organised by a third party in return for the opportunity to raise CoPC's profile. All sponsoring contributions must be transparent, pursuant to a written agreement, for legitimate business purposes, and proportionate to the consideration offered by the event host. They may not be made towards events organised by individuals or organisations that have goals incompatible with CoPC's ethical standards or that would damage CoPC's reputation. All sponsorships will be publicly disclosed.
- 12.2 Where commercial sponsorship is used to fund CoPC training events, training materials and general meetings, the sponsorship must be transparent, pursuant to a written agreement, for legitimate business purposes, and proportionate to the occasion. Where meetings are sponsored by external sources, that fact must be disclosed in the papers relating to the meeting and in any published minutes/proceedings.
- 12.3 Where sponsorship links to the development of guidelines and advice, this should be carried out in consultation with the appropriate lead ELT member independent of the sponsors. While it is recognised that consultation with the industry may be necessary when developing a guideline, the overall decision on what is included should lie with CoPC's ELT.

## 13. Reporting and Investigation Procedures

- 13.1 If you suspect that a fraud, bribery and/or corruption may be being attempted, is occurring or has occurred, or that you are aware of by form of bribery or corruption, you must notify the COO immediately. You must not discuss the matter with anyone else unless you are instructed to do so. If the COO is suspected of fraud, bribery or corruption you must notify the Principal and CEO who will act in place of the COO throughout any investigation.
- 13.2 Alternatively, you can raise any concerns using Whistleblowing procedures, including concerns about a member of the ELT or "associated persons". Concerns raised through the College's Whistleblowing Policy will be handled in line with the procedure identified in that policy.
- 13.3 In conjunction with the Principal and CEO, the COO and the Director of People Strategy and Organisational Development will decide the appropriate course of action to take, including any steps to be taken under CoPC's Disciplinary procedures, eg suspension pending investigation.
- 13.4 The COO and the Director of People Strategy and Organisational Development will agree arrangements for any internal investigation with the College's Internal Auditor and will take account of:
- the need to complete an investigation with speed and professional care;
  - the applicability of CoPC's Disciplinary procedures to the case;
  - the possibility of formal legal action; and
  - the need to safeguard the integrity of evidence, the safety of assets and the rights of those involved
- 13.5 After completing the investigation, the Internal Auditor will prepare a written report for the Chair of Audit Committee; the COO; the Director of People Strategy and Organisational Development; and the External Auditor. This report will include the following:

- a conclusion as to whether fraud or other irregularity has taken place;
  - its nature and extent;
  - the effect on CoPC and its finances;
  - who was involved, if this is known;
  - the potential for recovery; and
  - recommendations for improvements in systems of internal control.
- 13.6 If it is clear that any possible irregularity is of minimal effect and has arisen by accident, the COO and the Director of People Strategy and Organisational Development will maintain a formal record of this conclusion and any action taken.
- 13.7 In the case of an irregularity which has a significant effect and / or has not arisen by accident, the COO and the Director of People Strategy and Organisational Development will notify the Chair of Audit Committee and COPC's Internal Auditor. Evidence of fraud, bribery or corruption or any impropriety will be referred to the Audit Committee which may commission a special investigation by the Internal Auditor or others.
- 13.8 If the suspected irregularity is of sufficient seriousness, the COO and the Director of People Strategy and Organisational Development may notify the Principal and CEO; Chair of Governors; External Auditor; and COPC's funding bodies. They will also inform the Police at the first indication of any serious concern. Such actions will be taken in consultation with the Chair of Audit Committee.
- 13.9 The Chair of Audit Committee may ask the Director of Governance to call a special meeting of the Audit Committee to consider the report and its consequences. The Chair will also make a full report to a meeting of the Corporation.
- 13.10 All suspected instances of fraud, bribery or corruption will be treated as confidential, and any external enquiries must be referred to the COO and the Director of People Strategy and Organisational Development or other designated persons.

#### **14. How to Raise a Concern**

- 14.1 You are encouraged to raise concerns about any issue or suspicion of irregularity at the earliest possible time. If you are unsure about whether a particular act constitutes fraud, bribery or corruption or if you have any other queries, please raise these with your Line Manager or a member of the ELT. Members of ELT are:

Katy Quinn – Principal & Chief Executive Officer (CEO)

Matt Phelps – Deputy CEO and Deputy Principal (Curriculum & Quality)

Maria Vetrone – Chief Operating Officer (COO)

#### **15. Protection**

- 15.1 Members of staff and associated persons who raise concerns or report irregularities may be worried about possible repercussions. In line with CoPC's procedures outlined in the Whistleblowing Policy, no individual will suffer any detrimental treatment because of reporting reasonably held suspicions. Within this context, 'reasonably held' means a genuine concern raised in good faith, even if they are subsequently found to be mistaken. The Whistleblowing Policy can be found on the College website and on the Staff Hub.

## 16. Communication and Training

- 16.1 This policy will be communicated to all new governors and members of staff and through line managers and the Induction training process. All existing employees and 'associated persons' will receive awareness training about this policy.