

Countering Fraud, Bribery and Money Laundering

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1 Introduction and purpose

- 1.1 De Montfort University (DMU) believes that the creation of a culture of honesty and openness is a key element in tackling fraud, money laundering, bribery and corruption, as is raising the level of awareness and understanding of the key policies and procedures and their role in preventing or detecting these activities. In its commitment to maintaining the highest standards of governance, the university has defined acceptable behaviour which staff are expected to follow through its Code of Conduct and supporting policies and procedures.
- 1.2 The university is committed to protecting the public funds with which it has been entrusted. To ensure resources are used for their intended purpose of providing higher education and undertaking research, it is essential that losses due to fraud and corruption are minimised.
- 1.3 This policy outlines the university's approach, as well as defining roles and responsibilities, for dealing with the threat of fraud, bribery, corruption and money laundering, both internally and externally.
- 1.4 The policy relies on the series of comprehensive and inter-related policies and procedures across the university that provide a corporate framework to counter and deter inappropriate activity.
- 1.5 The purpose of this policy is to ensure adherence to relevant legislation including the Bribery Act 2010, Proceeds of Crime Act 2002 and Money Laundering Regulations 2007 and to set out clear expectations, standards and parameters in relation to activities to counteract fraud, bribery, corruption and money laundering at the University.

2 Scope

- 2.1 Compliance with this policy is compulsory for all university employees and representatives of the university or its subsidiary undertakings and partnerships. This includes members of the Board of Governors (including members of sub-committees of the Board), and the Chancellor. It also includes those who may be working for or on behalf of the university but are not directly-employed including contractors, agency workers (e.g. Unitemps) and volunteers.
- 2.2 A failure to comply with any aspect of this policy may lead to disciplinary action up to and including dismissal (for university employees) or equivalent sanctions for those who are not directly employed by the university, including immediate termination of contract or removal from office.
- 2.3 Depending on the nature of the breach, individuals may also be subject to criminal proceedings.
- 2.4 For the purposes of this policy, all those in scope are referred to collectively as "staff".
- 2.5 Where an individual raises a concern under this policy which highlights wider concerns that would fall within the scope of the "Raising Serious Concerns: Whistleblowing Policy", the matter will be considered in line with the policy under which the issue was first raised, but

the employee(s) raising concerns will still be afforded the protection of the Whistleblowing Policy. This will be the case even if they have not been specifically raised as whistleblowing matters.

3 Roles and responsibilities

- 3.1 It is the responsibility of individual members of staff to ensure they are aware of the content of this policy. Staff must seek advice, in the first instance from their line managers (who should seek advice from Human Resources as appropriate), if they have any uncertainty as to how to act during the course of their duties, in order to comply with the Regulations.
- 3.2 University staff are an important element in helping to identify and prevent fraud, money laundering, bribery and corruption, and they are encouraged to raise any concerns that they may have on these issues where they are associated with university business or activity through the channels outlined in this policy or, alternatively, in line with the Raising Serious Concerns: Whistleblowing Policy.
- 3.3 In accordance with the university's Instrument and Articles of Government, the Board of Governors is responsible for oversight of the conduct of affairs of the university, including the oversight of the management and administration of the revenue and property of the university which involves the supervision of the application of this policy.

4 Countering fraud

4.1 What is Fraud?

- 4.1.1 The university defines fraud as "any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss".
- 4.1.2 The above definition includes:
- gaining an advantage, personally and/or for family or friends
 - avoiding an obligation
 - causing a financial loss to the university, one of its subsidiary companies or partner organisations.
- 4.1.3 The term fraud is also used colloquially to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. Fraud can occur anywhere and can present itself not simply as a financial outcome or financially-motivated acts but also may result in reputational damage or gain from employment.
- 4.1.4 Some examples of fraud are set out in Appendix A with the main types of irregularity being:
- Theft – This may include the removal or misuse of funds, assets or cash
 - False accounting – dishonestly destroying, defacing, concealing or

falsifying any account, record or document required for any accounting purpose, with a view to personal gain or gain for another, or with the intent to cause loss to the university or furnishing information which is or may be misleading, false or deceptive

- Abuse of position – abusing authority and/or misusing university resources or information for personal gain or causing loss to the university.

4.1.5 The university's Financial Regulations as well as internal procedures set out the university's controls to minimise the risk of the above occurring.

4.2 Prevention

4.2.1 Fraud and corruption are costly, both in terms of reputational risk and financial losses, as well as being disruptive and time-consuming to identify and investigate. The prevention of fraud is therefore a key objective with deterrents and measures in place such as effective leadership, auditing and employee screening.

4.2.2 The individual behaviours in an organisation are often driven by the role modelling of the required standards by governing bodies and senior officers and the enforcement of policies from the top. The same applies for the prevention of fraud.

4.2.3 Fraud can be minimised through carefully designed and consistently operated procedures, which deny opportunities for fraud. Staff are individually responsible to ensure they understand the content of the policies and the application within their own role.

4.2.4 The Financial Regulations help to ensure that at all times the financial management of the university is conducted in accordance with the highest standards. Continuous management review of systems and reports by internal audit in line with the agreed annual audit programme should assist in preventing and detecting fraud and should also result in continuous improvements. The risk of fraud is a factor for consideration in audit plans.

4.3 Detection

4.3.1 No system of preventative measures can guarantee that frauds will not occur. However, systems and controls are in place to detect and highlight irregular transactions. It is the responsibility of all staff to safeguard assets and/or public funds, with specific responsibilities for seniors officers and their managers to prevent and detect fraud by maintaining good control systems within their departments and making sure that all staff understand the systems and work within them.

4.3.2 The Raising Serious Concerns: Whistleblowing Policy provides an additional route for raising any concerns around suspicious activities. An annual report on whistleblowing cases is presented to the Audit Committee.

4.4 Investigations

4.4.1 The university recognises the unpredictability of fraud or irregularity and the disruption which it may cause once identified. However it also recognises the need to safeguard its assets, recover losses and secure evidence for legal and disciplinary processes.

4.4.2 In order to meet these objectives, and to clarify its approach when fraud is suspected, the university has a Fraud Response Plan. This is included as *Appendix B* and seeks to:

- prevent further loss
- establish and secure evidence necessary for criminal and/or disciplinary action
- notify the Office for Students (OfS), if the relevant thresholds are breached
- recover losses
- take appropriate action against those who have committed fraud
- review the reasons for the incident, the measures taken to prevent a recurrence, and any remedial actions needed to strengthen future responses to fraud
- keep all personnel, on a 'need to know' basis, suitably informed about the incident and the university's response
- assign responsibility for investigating the incident
- establish circumstances in which external specialists should be involved
- establish lines of communication with the Police, if appropriate

5 Countering money laundering

5.1 What is money laundering?

5.1.1 The Proceeds of Crime Act 2002 and Money Laundering Regulations 2007 define money laundering and the range of activities where this can apply. It is not just a concern for banks and the financial sector but applies to all companies and institutions, including universities. This section of the policy therefore sets out the process to be followed if money laundering is suspected and defines the responsibility of individual employees in the process.

5.1.2 Money laundering is the process by which money or other assets obtained through criminal activity are exchanged for 'clean' money or other assets with no obvious link to their criminal origins.

5.1.3 Money laundering may take any form, including money or money's worth, securities, tangible property and intangible property. It also covers money which is used to fund terrorism. The regulations apply to property, equipment, cheques, cash or bank transfers including cash transactions with agents or third parties.

5.1.4 Money laundering activity includes:

- Acquiring, using or possessing criminal property
- Handling the proceeds of crime such as theft, fraud and tax evasion
- Knowingly being involved in any way with criminal or terrorist property
- Entering into arrangements to facilitate laundering of criminal or terrorist property
- Investing the proceeds of crimes in other financial products
- Investing the proceeds of crimes through the acquisition of property/assets
- Transferring property obtained through criminal activity.

5.2 **University and Staff Obligations**

5.2.1 The university has a responsibility to:

- Appoint an officer to receive, consider and report as appropriate, disclosure of suspicious activity reported by employees (see 'Appointed Officer' section below)
- Implement a procedure to enable the reporting of suspicious activity
- Maintain customer identification procedures to 'know your customer', in relevant circumstances
- Maintain adequate records of transactions.

5.2.2 Some of the practical steps being taken by the university to prevent money laundering activities are laid out in Appendix C.

5.2.3 Money laundering legislation applies to all staff, as well as the university as a legal entity. Potentially any member of staff could be committing an offence under the money laundering statutes if they suspect money laundering or if they become involved in some way and fail to appropriately report the facts. If any individual suspects that money laundering activity is or has taken place or if any person becomes concerned about their involvement it must be disclosed as soon as possible to the Appointed Officer (see 5.4 below).

5.2.4 Failure to do so may result in you being personally liable to prosecution.

5.2.5 Guidance on how to raise any concerns is included in this policy (see 5.5 below).

5.3 **Know Your Customer**

5.3.1 It is important that controls are in place to undertake customer due diligence i.e. steps to identify the student, customer or other party dealing with the university. Satisfactory evidence of identity must be obtained at the time of enrolment.

5.3.2 Examples of identification include:

- Passport or visa
- Birth certificate
- Correspondence with students at their home address and for third parties, letters or documents proving name, address and relationship.

5.3.3 If an organisation or agent is not known to the university, actions may include:

- reviewing letter-headed documents
- checking web-sites
- requesting credit checks
- aiming to meet or contact key sponsors as you feel appropriate to verify the validity of contact.

5.3.4 Other organisations, including suppliers and banks, may be required to undertake similar due diligence on the university or its representatives. All staff are expected to adhere to all such reasonable requests including the provision of relevant identification, where required.

5.3.5 Guidance on possible signs of money laundering is included as Appendix D below.

5.4 **Appointed Officer**

5.4.1 The Financial Controller is the officer nominated to receive disclosures in respect of suspected transactions or activity within the university. The Financial Controller can be contacted via the central email address.

5.4.2 In the absence of the Financial Controller, the Deputy Chief Finance Officer will deputise as the Appointed Officer. The same email address should be used.

5.5 **Disclosure**

5.5.1 Known or suspected money laundering activity, or if an individual is concerned that their involvement in a transaction may amount to a breach of the regulations, must be disclosed as soon as possible to your line manager (unless the activity relates to your line manager, in which case, a direct disclosure to the Appointed Officer).

5.5.2 In consultation with your line manager, if it is agreed there is reasonable suspicion of inappropriate activity, a disclosure report must be made to the Appointed Officer (using the pro-forma in Appendix E) on the same day that the information came to your attention or, in extenuating circumstances only, as soon as practicably possible after this date. Failure to do so may result in you being personally liable to prosecution.

5.5.3 If, in consultation with your line manager, it is determined not to be suspicious and not reported, then a documented record should be maintained detailing the reasons for this decision. However, where there is doubt, staff should report the issue to the Appointed Officer.

5.5.4 The report should include as much detail as possible including:

- Full available details of the people and companies involved, including yourself and other members of staff if relevant
- Full details of transaction and nature of each person's involvement in the transaction
- Suspected type of money laundering activity or use of proceeds of crime with exact reasons as to why you are suspicious
- The dates of any transactions, where they were undertaken, how they were undertaken and the likely amount of money or assets involved
- Any other information that may help the Appointed Officer judge the case for certainty or suspicion of money laundering and to facilitate any report to the National Crime Agency (NCA).

- 5.5.5 Once you have reported your suspicions to the Appointed Officer, you must follow any instructions provided. You must not make any further enquiries unless instructed to do so by the Appointed Officer. At no time and under no circumstances should you voice any suspicions to the person(s) you suspect of money laundering as this may be committing a criminal offence.
- 5.5.6 If appropriate, the Appointed Officer will refer the case to the NCA who will undertake any necessary investigation. This may include consent to continue with a particular transaction.
- 5.5.7 On receipt of a disclosure report the Appointed Officer will:
- Acknowledge receipt and note the date of receipt
 - Assess and advise the individuals concerned around the next steps, if required
 - Consider the report and any other relevant information, undertaking further enquires necessary to decide if a report should be made to the NCA.
- 5.5.8 The Appointed Officer will evaluate the disclosure report in a timely manner to determine, based on the facts, if:
- There is actual or suspected money laundering taking place
 - There are reasonable grounds to know or suspect that is the case
 - Consent is required from NCA for a particular transaction to proceed
- 5.5.9 Where the Appointed Officer concludes that the matter should be disclosed to the NCA, this needs to be undertaken in a timely manner and in the format and route provided by the NCA.
- 5.5.10 Where the Appointed Officer concludes that there are no reasonable grounds to suspect money laundering activity, then consent will be given for transactions to proceed and the disclosure report will be marked accordingly. A record should be retained detailing reasons behind the decision.
- 5.6 **Record Keeping**
- 5.6.1 Maintenance of comprehensive records is essential for the university to demonstrate compliance with the Money Laundering Regulations, particularly in relation to any investigations.
- 5.6.2 The types of record kept include, but are not limited to:
- Daily records of transactions
 - Receipts
 - Cheques
 - Paying-in books
 - Customer correspondence
 - Student identification evidence

5.6.3 Records may be kept in various formats including:

- Originals
- Photocopies
- Microfiche
- Scanned
- Computerised or Electronic

5.6.4 The length of record retention must be in line with the university's Records Management Policy and maintaining records is based on the date a business relationship ends or the date a transaction is completed.

5.6.5 In practice, faculties and directorates will routinely create and retain records in the course of normal business, these will likely be sufficient for this purpose.

6 Countering Bribery and Corruption

6.1 What is bribery and corruption?

6.1.1 The Bribery Act 2010 provides levers for enforcement agencies to bring successful prosecutions in respect of corruption offences committed in the UK and abroad.

6.1.2 The university and those persons working on behalf of the university must comply with the Act.

6.1.3 In broad general terms, bribery is defined as giving someone a financial advantage or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so. For example:

- Payments being made to someone (or favour them in any other way) to encourage them to misuse their position.
- A member of staff misusing their position in connection with payments (or other favours) for themselves or a third party.
- A member of staff deliberately using advantages to try to influence foreign public officials or private sector organisations for business reasons.

6.2 Offences under the Bribery Act 2010

6.2.1 The Bribery Act 2010 creates four key offences:

- Active bribery - the offence of offering to bribe another. This offence can be committed directly or through a third party;
- Passive bribery - the offence of accepting or requesting a bribe;
- Bribery of a foreign public official – a person is guilty of this offence if his intention is to influence the official in the official's capacity as a foreign public official (i.e. government officials and those working for international organisations); and

- Failing to prevent bribery - the offence by a commercial organisation of failure to prevent bribery by any person associated with it including staff, agents or other representatives of the university.

6.2.2 In addition, if a senior officer of the university consents to or connives in an act of bribery by the university they can be separately prosecuted.

6.2.3 It is important to note that the Act focuses on conduct and not results, and as such there is no need for the transaction to have been completed.

6.2.4 The only defence available for the university is to prove that adequate procedures were in place to prevent bribery from being committed by those performing services on its behalf.

6.2.5 The maximum sentence for individuals is up to ten years' imprisonment and/or an unlimited fine. Organisations would face an unlimited fine and/or other measures including the confiscation of assets.

6.3 **Scope of the Bribery Act 2010**

6.3.1 Acts of bribery committed by anyone in the UK or, if overseas, by a British citizen or any other person with a close connection with the UK can be prosecuted. This also includes those senior officers at the university who consent or connive to any such offence.

6.3.2 The Act also covers the failure to prevent bribery by organisations, and this too can be committed in the UK or overseas, and has a much broader application in that those people only need to be associated with it, and as such it also includes the actions of agents and subcontractors acting on behalf of an organisation.

6.3.3 Staff must fully adhere to the Bribery Act 2010 and ensure all preventative action is taken to avoid any breach of the Act. An ethical approach to engaging external organisations and individuals must be taken undertaken at all times.

6.4 **Risk Areas**

6.4.1 The key risk areas and activities for the university include:

- International operations
- Procurement
- Commercial contracts
- Advancement / fundraising
- Recruitment of students and awards of degrees
- Gifts and donations to or from the university or its staff
- Sponsorship and partnerships
- Estate and property management
- Appointment of UK or overseas agents or representatives on behalf of the university
- Relationships with other academic institutions, regulatory or funding bodies

- Overseas research in jurisdictions where there are particular corruption risks

6.5 Hospitality, Promotional and Business Expenditure

6.5.1 The Government guidance in this area is that “Bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of (the university), better to present products and services, or establish cordial relations, is recognised as an established and important part of doing business and it is not the intention of the Act to criminalise such behaviour. The Government does not intend for the Act to prohibit reasonable and proportionate hospitality and promotional or other similar business expenditure intended for these purposes.”

6.5.2 See Business Travel and Expenses Policy and Gifts and Hospitality Policy for further information.

6.6 Facilitation Payments

6.6.1 The Act provides in clear terms that it is a crime to bribe a public official. This includes “facilitation payments” – money or goods given to a public official to perform, or speed up the performance of an existing duty. Staff must not take any action that could be, or perceived to be, a facilitation payment.

6.7 Control Measures

6.7.1 The university has a number of control mechanisms to manage risk and support compliance with the Act, including but not limited to:

- Top level commitment by senior officers
- Bribery Act Focus Group (BAFG) with oversight of this section of the policy and relevant procedures
- Risk assessments conducted by BAFG
- Due diligence checklists and pro-formas
- Training for staff
- Conditions embedded in to contracts

6.7.2 The university, via BAFG, will continue to monitor and review its processes to provide the highest level of protection for both the university and its staff.

6.7.3 The Chief Operating Officer has executive responsibility for oversight of the framework that supports the university’s compliance with the Bribery Act 2010. The Chief Operating Officer delegates operational responsibility to the Director of Governance and Legal. The BAFG provides oversight of the framework of policies and procedures, with the Audit Committee charged with gaining assurance on the effectiveness of the framework and overall compliance with the Bribery Act 2010.

6.7.4 If any member of staff has any queries in relation to the Bribery Act 2010, they must direct their enquiries to the Legal Services team.

6.8 Disclosure

- 6.8.1 If any member of staff has any suspicions or perceptions that a breach of the Act has / or is about to take place, they must immediately contact the Director of Governance and Legal or, in their absence, the Chief Operating Officer.

Appendix A: Examples and indicators of fraud

Examples of fraud, which are neither exclusive nor exhaustive, include the following:

- Misappropriation of cash
- Fraudulent encashment of payable orders or cheques
- Misappropriation of other assets including information and intellectual property. This would also include theft for private use, unauthorised use of university property e.g. vehicles, computers, other equipment
- Purchasing or purchase ledger fraud (e.g. approving/paying for goods not received, approving/paying bogus suppliers/contractors, approving/paying inflated prices for goods and services, accepting any bribe)
- Travel and Expense claims overstated or falsely claimed. This may include advances not recovered or forging of counter- signatories
- Accepting pay for time not worked (e.g. false claim for hours worked, failing to work full contracted hours by any member of staff, false overtime claims, or falsification of sickness self- certification)
- Computer fraud (e.g. altering or substituting records, duplicating or creating spurious records, or destroying or suppressing records), where IT equipment has been used to manipulate program of data dishonestly, or where the use of an IT system was a material factor in the preparation of the fraud.

While by no means being proof on their own, the circumstances below (warning signs) may indicate fraud, and should therefore put managers and staff on the alert:

- Altered documents (correcting fluid, different pen or handwriting)
- Claim form details not readily checkable or properly approved
- Changes in normal patterns, of cash takings or expense claim details (for example)
- Delay in completion or submission of expense claims
- Lack of vouchers or receipts in support of expense claims, etc.
- Staff seemingly living beyond their means
- Staff under constant financial or other stress
- Staff choosing not to take annual leave (and so preventing others becoming involved in their work), especially if solely responsible for a “risk” area
- Complaints from public or staff.

Appendix B: Fraud response plan

Purpose

The purpose of the Fraud Response Plan is to define authority levels, responsibilities for action, and reporting lines in the event of a suspected or actual fraud or irregularity.

Initiating Action

Suspicion of fraud or irregularity may be captured through a number of means. All actual or suspected incidents should be reported without delay to the Financial Controller or, in their absence, the Deputy Chief Finance Officer. If there is a reason not to speak to the Financial Controller/Deputy Chief Finance Officer, the matter should be brought to the attention of the Chief Finance Officer, Chief Operating Officer or the Head of Internal Audit.

The Financial Controller will review any allegation, record on the central fraud register and discuss with the university's independent Counter Fraud Team (an external body), preferably within two working days of being made aware of the allegation.

Following advice from the Counter Fraud Team, the Financial Controller will identify a course of action and notify the Chief Finance Officer. In most cases, the initial response will be to undertake fact finding on the circumstances surrounding the investigation, leading to one of the following outcomes:

- No evidence found to support the allegation; no further action planned
- There are grounds to explain why the allegation has been made and the Financial Controller to commission the Counter Fraud Team to conduct further enquiries
- A significant fraud, corruption or other economic crime event is suspected and a formal fraud investigation process is required

The course of action and outcome must be recorded on the central fraud register.

Formal Fraud Investigation

When a formal fraud investigation process is required, the Financial Controller is required to make the Director of Governance and Legal aware of the issue as soon as practicably possible and preferably within two working days of determining the matter to be significant.

Where the suspicion relates to the Director of Governance and Legal, then the Chief Operating Officer shall be informed.

The Director of Governance and Legal should, as soon as practicable and preferably within two working days, convene a meeting of the following Project Group or their nominees to decide on the initial response:

- Chief Operating Officer (who shall chair the Group) or an alternative Executive Board member (designated by the Vice-Chancellor)
- Chief Finance Officer
- Executive Director of People and Organisational Development

- Other officers as determined by the Chair of the Project Group

The Project Group will:

- Decide on the action to be taken. This will normally be an investigation reporting to the Project Group.
- Establish whether the police should be informed. Where the police are not notified, the Vice-Chancellor (or nominated representative) should advise the Audit Committee of the reason.
- Set the Terms of Reference for any investigations.
- Establish whether an investigation requires specialist skills ('special investigations'). This will normally be commissioned through internal auditors and will be in addition to that scheduled within the approved annual Internal Audit Plan, unless otherwise approved by the Chair of the Audit Committee..
- Agree any additional external specialists or technical expertise required by the internal auditors and the associated costs.
- Establish whether there is a need to utilise staff that are Police and Criminal Act (PACE) trained.
- Monitor progress against the Terms of Reference.
- Provide a written investigation report to the Audit Committee (see 'Reporting to the Board of Governors' section below).

The Chair of the Audit Committee and the Chair of the Board of Governors should be advised at the earliest stage when an investigation under this procedure has been initiated, by the Chair of the Project Group (on behalf of the Vice-Chancellor). If these individuals are implicated as part of the focus of the investigation then an alternative lead governor will be identified by the Director of Governance and Legal.

Where an investigation is to take place, and the matter implicates any of the individuals in the Project Group, another person with senior management responsibility shall be appointed to the Project Group by the Chair of the Project Group.

Prevention of Further Loss

Where initial investigation provides reasonable grounds for suspecting staff of fraud, the Project Group will decide how to prevent further loss, this may include the consideration of suspension for the staff member, if the Project Group deem that they continue to represent a risk. In this circumstance, it may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action. The Executive Director of People and Organisational Development will be able to advise on the approach to be taken.

The Project Group will consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the university's assets.

Notifying Regulators

The Vice-Chancellor must inform, without delay, the OfS of any 'reportable event' (see Raising Serious Concerns: Whistleblowing Policy for definition), including serious weaknesses in controls, significant fraud or major accounting breakdown. The Vice-Chancellor (or delegated representative) should also inform the university's external auditors.

A Reportable Event to OfS will also include fraud or irregularity that meets the criteria set out in the OfS guidance 'Regulatory Advice 16: Reportable Events'

<https://www.officeforstudents.org.uk/media/768cbcfb-1669-4f97-abe6-6e61a81d8d75/regulatory-advice-16-reportable-events.pdf>

There may be circumstances that do not fit this definition and, in this instance, the Project Group should seek guidance from regulators, auditors and other sources, where required.

Recovery of losses

Recovering losses is a major objective of any fraud investigation. The Project Group will ensure that, in all fraud investigations, the amount of any loss is quantified. Repayment of losses will be sought, wherever possible and practicable.

Where the loss is substantial, legal advice may be obtained about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice may also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The university will normally expect to recover costs in addition to losses.

References for employees disciplined or prosecuted for fraud

There is a requirement that any request for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to the Director of People and Organisational Development (for a staff member). The Director of People and Organisational Development shall prepare any answer to a request for a reference having regard to employment law.

Reporting to the Board of Governors

As outlined in the 'Formal Fraud Investigation' section, the circumstances when the Vice-Chancellor must inform the Chair of the Board of Governors and the Chair of the Audit Committee must be applied.

Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the Chairs of both the Board of Governors and the Audit Committee.

The Chair of the Project Group will agree with the Chair of the Audit Committee as to whether interim reports detailing progress on the investigation will be required.

At the appropriate time, having due regard to the application of internal and/or external investigatory and other processes, an anonymised report will be provided to the Audit Committee for assurance purposes. This report will normally be prepared by the Project Group.

Appendix C: Examples of steps taken to prevent money laundering activities

Example 1

The university does not permit cash payments for student tuition fees.

Example 2

Fees paid in advance by foreign students, who have subsequently been refused a visa, are only refundable providing appropriate documentary evidence is available to demonstrate the circumstances. Refunds should only be made to the account from which the payment originated or in the case of a transfer of a student by payment to the new university.

Example 3

Precautions must be taken in respect of refunds requested, following a payment by credit card or bank transfer. In these cases, refunds should only be made by the same method to the same account. In the event of an attempted payment by credit or debit card being rejected, the reason should be checked prior to accepting an alternative card. If in any doubt about the identity of the person attempting to make a payment, the transaction should not be accepted.

Appendix D: Risk factors related to possible money laundering

It is not possible to give a definitive list of ways to spot money laundering or how to decide whether to make a report to the Appointed Officer. The following are types of risk factors which may, either alone or collectively, suggest the possibility of money laundering activity.

- A new customer, business partner or sponsor not known to the university.
- A secretive person or business e.g. that refuses, without a reasonable explanation, to provide requested information.
- Payment of any substantial sum in cash (over £2,000).
- Concerns about the honesty, integrity, identity or location of the people involved.
- Involvement of an unconnected third party without a logical reason or explanation.
- Overpayments for no apparent reason.
- Absence of any legitimate source for the funds received.
- Significant changes in the size, nature, frequency of transactions with a customer that is without reasonable explanation
- Cancellation, reversal or requests for refunds of earlier transactions.
- Requests for account details outside the normal course of business.
- A history of poor business records, controls or inconsistent dealing.

Any other facts which tend to suggest that something unusual is happening and give reasonable suspicion about the motives of individuals.

Appendix E: Suspected money laundering - report to the appointed officer

From:.....

Faculty/Directorate:.....

Contact Details:

Email:

Telephone number:.....

DETAILS OF SUSPECTED OFFENCE (to be included on separate page and attached to this cover sheet)

- Name(s) and address(es) of person(s) involved including relationship with the university.
- Nature, value and timing of activity involved.
- Nature of suspicions regarding such activity.
- Provide details of any investigation undertaken to date.
- Have you discussed your suspicions with anyone and if so on what basis.
- Is any aspect of the transaction(s) outstanding and requiring consent to progress.
- Any other relevant information that may be useful.

Name:.....

Position:.....

Signed:

Date:.....