

# Fraud & Bribery Response Plan

## Executive Summary

The Fraud & Bribery Response Plan (the “Plan”) sets out guidance relating to the reporting and investigation of fraud, bribery and corruption. The Plan should be read in conjunction with the University’s policies on Counter Fraud, and Anti-Bribery & Corruption.

Organisation	Leeds Beckett University
Author(s)	Risk & Compliance Co-ordinator; Head of Regulatory Compliance & Assurance
Developed in consultation with	University Registrar & Secretary; Deputy Secretary; Financial Services; HR
Owner	Registrar & Secretary’s Office
Target audience	Staff involved in undertaking investigations relating to fraud or bribery concerns
Policies applies to	All colleagues, students, Board of Governors, contractors and others performing work for or on behalf of the University.
Sensitivity	Internal use, publicly available
Approved by	University Executive Team [01-10-2023]
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Status	Published
External references	<ul style="list-style-type: none"> <li>• <a href="#">The Bribery Act 2010</a></li> <li>• <a href="#">The Fraud Act 2006</a></li> <li>• <a href="#">Public Interest and Disclosure Act 1998</a></li> <li>• <a href="#">The Office for Students regulatory framework and guidance</a></li> </ul>
Links to other internal policies / procedures	<ul style="list-style-type: none"> <li>• <a href="#">Counter Fraud Policy</a></li> <li>• <a href="#">Anti-Bribery &amp; Corruption Policy</a></li> <li>• <a href="#">Whistleblowing Policy &amp; Procedure</a></li> <li>• <a href="#">Conflicts of Interest Policy</a></li> <li>• <a href="#">Financial Regulations</a> - specifically the sections on Travel, Gifts and Hospitality, Purchasing, Research Grants and Contracts</li> <li>• <a href="#">Procurement Procedures</a></li> <li>• <a href="#">Reportable Events Procedure</a></li> <li>• <a href="#">Ethics and Integrity Framework</a></li> <li>• <a href="#">University’s Disciplinary Procedure and Disciplinary Rules</a></li> <li>• <a href="#">Guidance for Individuals and Managers on Concerns of Fraud and/or Bribery</a></li> <li>• <a href="#">Online training</a> relating to fraud, anti-bribery and cyber security</li> </ul>
Version reference	3.0
Version History - summary of changes	<p>1.0 29 June 2017 - Audit Committee</p> <ul style="list-style-type: none"> <li>➤ 1.1 January 2020 - minor terminology update</li> </ul> <p>2.0 27 October 2021 - University Executive Team</p> <ul style="list-style-type: none"> <li>➤ 2.1 January 2022 – Update to OfS reporting thresholds</li> </ul> <p>3.0 01 November 2023 - University Executive Team</p>
Appendices	<a href="#">Appendix 1 – Procedure Flowchart</a>

# Fraud & Bribery Response Plan

## Purpose and scope

1. The purpose of the Fraud & Bribery Response Plan (the 'Plan') is to provide guidance about what to do if an individual or group of individuals suspects that fraud, bribery, corruption or other irregular activity to be taking place within the University and to facilitate a prompt and efficient response. It explains how the University will respond to such reports and the action it will take to safeguard its assets. The Plan should be read in conjunction with the University's [Counter Fraud Policy](#), [Anti-Bribery & Corruption Policy](#) and [Conflicts of Interest Policy](#) which set out the application<sup>1</sup> of these policies and the Fraud & Bribery Response Plan.
2. The Plan enables the University to:
  - (a) respond to allegations, determine an appropriate response, and instigate investigations;
  - (b) establish and secure evidence necessary for any disciplinary and/or criminal action;
  - (c) help minimise further loss and maximise recovery of losses to the University;
  - (d) ensure appropriate and timely action is taken following investigations;
  - (e) notify the Office for Students of material<sup>2</sup> suspected or actual fraud or financial irregularity;
  - (f) notify the Office for Students of any serious incidents that the University is required to report as an exempt charity;
  - (g) notify any other relevant bodies (e.g., HMRC, grant making bodies, police etc.);
  - (h) highlight any current or potential weaknesses in University operations to identify any action required to help prevent future or further losses and reoccurrence, as well as strengthen future responses and ultimately safeguard the University's assets.

## Raising concerns

3. Suspicion of fraud, bribery, corruption or associated irregularities may be captured through a number of means, including the:
  - requirement on all staff under our [Financial Regulations](#) to report any suspicions or concerns to the University Registrar & Secretary;
  - use of the [Whistleblowing \(public interest disclosure procedure\) Policy and procedure](#);
  - conduct of audit work; and
  - the operation of proper management and control procedures.

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<sup>1</sup> [Counter Fraud Policy](#), 'Application' section, sets out:

5. This policy applies to all colleagues of the University which includes individuals working within the University at all levels and grades, including officers, employees (whether permanent, fixed term or temporary), workers, trainees, seconded staff, agency staff, volunteers, interns or any other person working in any context within the University.

6. This policy also extends to individuals performing services for or on behalf of the University which may include governors, University subsidiaries, recipients of grants, partners, collaborative arrangements, joint ventures, agents and advisors.

<sup>2</sup>[OfS guidance](#) states that if a provider becomes aware of material suspected or actual fraud or financial irregularity this should be considered against Reportable Events guidance. 'Material' should be understood to mean any fraud relating to above £25,000 or two per cent of the provider's total income (whichever is smaller). Additionally, the following should also be considered:

- Perpetrated by a member of the governing body, accountable officer or any other senior officer even if its monetary value is small.
- Exposes a systemic weakness in the provider's internal control arrangements that suggest other, as yet unidentified, cases could be taking place.
- The fraud involves public funding.
- The fraud is one of a repeating pattern of even small-scale frauds.

4. All concerns raised will be treated as confidential, as far as it is possible to do so, in line with the University's [Whistleblowing Policy](#). Where concerns have implications for a partner organisation or subsidiary company rather than the University, the relevant officer at the partner organisation or subsidiary company will be informed.
5. All actual or suspected incidents should be reported without delay to the **University Registrar & Secretary** by emailing [registrarsecretary@leedsbeckett.ac.uk](mailto:registrarsecretary@leedsbeckett.ac.uk). Where a concern is raised by a member of staff to their line manager, this should in turn be immediately reported by the manager to the University Registrar & Secretary who will decide on the appropriate actions to be taken. If it is not appropriate for any reason to make a disclosure to the University Registrar & Secretary, then the disclosure should be made to the **Chair of Audit Committee** by emailing [AuditCommitteeChair@leedsbeckett.ac.uk](mailto:AuditCommitteeChair@leedsbeckett.ac.uk).
6. Staff must alert their line manager if they believe an **opportunity** exists which could pose a risk of fraud or bribery because of poor procedures or lack of effective supervision. The manager should review these concerns immediately and, where required, put actions in place to significantly reduce or remove the risks identified. Any ongoing concerns should be reported to the University Registrar & Secretary for further consideration.

### **Implementation of the Fraud & Bribery Response Plan**

7. The University Registrar & Secretary, or nominee, will acknowledge receipt of reported concerns and will review and record the concern. Depending on the nature and circumstances of the concern, a review may result in:
  - (a) An internal preliminary investigation to determine facts and whether there are grounds for the concern.
  - (b) An investigation under the Fraud & Bribery Response Plan.
  - (c) Referral of the matter to be dealt with under a different policy or procedure.
  - (d) Referral of the matter to the Police.
  - (e) No further action.
8. Where a decision is taken not to proceed with the matter, further investigations may be subject to review upon receipt of new information.
9. The Audit Committee will be made aware of decisions not to take further action and the reasons for those decisions. Other actions are set out below.

### **Level of incident and investigation**

10. The University may vary its approach to investigating fraud, bribery or corruption depending on the facts of individuals cases. The perceived financial and/or reputational risk to the University will be a key consideration in determining the approach.
11. The table below provides guidance for determining the levels of incidents, responsibilities for investigation and action to be taken, and reporting mechanisms.

Table 1: Guidance to assist in determining level of incident and investigation		
Level	Description	Guidance
1	<b>Low risk</b> Loss of £2k or below	University Registrar & Secretary to nominate internal Investigating Officer who will produce a report on the findings of their investigation for the University Registrar & Secretary.  Fraud & Bribery register to be updated with details of the incident and investigation.  Matter to be reported to next meeting of the Audit Committee, including findings of the investigation, any actions taken, and any significant matters identified from the root cause analysis.
2	<b>Medium risk</b> Medium value loss / exposure (£2k - £25k)	University Registrar & Secretary to nominate internal Investigating Officer. Investigation conducted by internal Investigating Officer, reporting to a <b>Fraud Response Panel* ('FRP')</b> comprising: <ul style="list-style-type: none"> <li>• The University Registrar &amp; Secretary (or nominee); and</li> <li>• The Director of Finance (or nominee) and/or the Executive Director of HR (or nominee) depending on the nature of the incident.</li> <li>• 'Another' as deemed appropriate.</li> </ul> Fraud & Bribery register to be updated with details of the incident and investigation.  Matter to be reported to next meeting of the Audit Committee, including findings of the investigation, any actions taken, and any significant matters identified from the root cause analysis.
3	<b>High risk</b> High value loss/ exposure (£25k +) / considered as material <sup>3</sup> under Reportable Events guidance	Invoking of the Plan at level 3 shall be reported to the Chair of the Audit Committee without delay.  Independent investigation to be conducted by internal auditors/independent body who will report to a <b>FRP</b> comprising: <ul style="list-style-type: none"> <li>• University Registrar &amp; Secretary (or nominee);</li> <li>• Director of Finance (or nominee); and</li> <li>• Executive Director of HR (or nominee).</li> </ul> The outcomes of the investigation will be reported immediately to the Vice Chancellor, Chair of the Board and Chair of the Audit Committee.  The Fraud & Bribery register will be updated with details of the incident and investigation and the matter will be reported to the next meeting of the Audit Committee.  Where concerns are considered as material under Reportable Events guidance, the matter will be processed in line with the University's <a href="#">Reportable Events Procedure</a> .

*\*Where an investigation is to take place, and the matter implicates any of the individuals in the Response Panel, another person with senior management responsibility shall be appointed to the relevant panel*

## Role and Responsibilities of the Investigating Officer

12. The Investigating Officer will lead the investigation, taking such steps as necessary to:

- promptly establish, secure and preserve evidence;
- establish the facts and identify all those involved;
- following prior approval of the University Registrar & Secretary or their nominee, establish and maintain contact with the police or contact with any external body, where necessary;
- establish whether losses are recoverable, and action required to facilitate this;
- perform a root cause analysis to ensure prevention of further loss or risk of future losses;
- have an unrestricted right of access to information relevant to the investigation for which management should co-operate with requests for assistance;
- maintain familiarity with the University's disciplinary procedures, in order to ensure that evidence requirements will be met during any investigation;

13. The Investigating Officer will complete all investigations in a timely manner and report outcomes of the investigation at the earliest opportunity.

<sup>3</sup> Factors in favour of reporting (see [Regulatory advice 16: Reportable events](#))

## **Establishing and securing evidence**

14. It is a duty of each employee to co-operate with an investigation and to make statements where required. The University, its employees and agents will make available to the investigator all such information and records as are necessary to pursue the investigation.
15. To preserve physical or digital evidence which could potentially be removed or destroyed by a suspect, evidence may need to be seized at an early stage in the investigation, before any witness statements are collected, or interviews conducted. This may include temporarily removing IT and system access and/or physical access to the estate / parts of the estate. Any action taken should be in line with guidance from the Director of HR (or nominee) and/or the Director of IT Services (or nominee), as relevant, and with support from the Estates and CARES teams. If a criminal act is suspected, the Police should also be consulted early in the process, before any overt action is taken, and the suspect is alerted.

## **Confidentiality**

16. The matters investigated will be kept confidential in so far as this does not hinder or frustrate the investigation process.

## **Interviews**

17. Interviews of employees should take place under the guidance of HR, as subsequent or concurrent disciplinary action may be taken against any employees found guilty of dishonesty.
18. Any findings that fraud, corruption or bribery have been committed and conclusions about persons responsible will be subject to the decisions of the FRP upon the report. Such decisions will have regard to any subsequent investigations and decisions under University disciplinary procedures and/or legal proceedings.

## **Investigation Findings**

19. The Investigating Officer will prepare a report for the University Registrar & Secretary (level 1) or FRP (levels 2 & 3) which sets out their findings from the investigation. The report will cover:
  - an opinion on whether fraud, corruption or bribery has been committed, setting out the reasons and summary of evidence in support of the opinion;
  - where the opinion is that fraud, corruption or bribery has been committed, a description of the fraud, corruption or bribery, value of loss, people involved and the means by which the fraud, corruption or bribery was perpetrated;
  - measures already taken to recover losses and to be taken to prevent recurrence;
  - any recommendations for actions that could be taken to strengthen future responses to fraud, bribery or corruption.
20. The FRP will consider the report and determine whether it demonstrates that fraud, corruption or bribery has been committed and who or what may be responsible. In light of their conclusions, the FRP will determine the action that needs to be taken:
  - If it is determined on the basis of evidence that no fraud, bribery or corruption has occurred then the FRP will agree action to ensure that all relevant parties are informed. If any individual(s) have been suspended pending investigation, HR will be responsible for advising on action relating to the lifting of the suspension.
  - If it is determined on the basis of evidence that fraud, corruption or bribery has occurred and/or is taking place, then the FRP will ensure that disciplinary action is taken by HR. The Chair, Vice Chancellor and the University Registrar & Secretary will also agree any action required under the University's requirements for reporting to external bodies, including the OfS. The report may

recommend that the matter be reported to the Police if this has not happened at an earlier stage and/or that civil action is taken to recover losses.

21. Outcomes of investigations will be reported to the Audit Committee, containing:
  - a description of the incident, including the value of any loss or potential loss.
  - the measures taken to recover losses.
  - the root cause of the incident and any remedial action to be taken to prevent a recurrence.
  - any police involvement or external referral.
  - any reports made to regulators.
  - any disciplinary or criminal action taken.
  - any action needed to strengthen future responses to fraud or bribery, with a follow-up report on any actions taken as necessary.
22. Any incident that is reportable to the **OfS** shall be notified without delay to the Vice Chancellor and the Chairs of both the Board of Governors and the Audit Committee.
23. Any variation from the approved Plan, together with reasons for the variation, shall be reported by the University Registrar & Secretary promptly to Vice Chancellor and Chair of the Audit Committee.
24. The University Registrar & Secretary shall oversee any follow-up actions to support the University's recovery of losses, prevention of further losses, prevention of reoccurrence, and any remedial action required. This may include review of controls and processes, suspension of individuals, changes to policy or procedure, and the investigation of any other systems.

#### **Prevention of further losses**

25. Where an investigation uncovers reasonable grounds for suspecting a member or members of staff of fraud, this should be reported immediately to the FRP and advice will be obtained from the HR and Legal departments about whether suspension of the employee(s) during the course of the investigation is required and how this should be managed. A key consideration will be whether the individual(s) are likely to destroy or remove evidence, interfere with witnesses or hinder any investigation.
26. The FRP will consider whether it is necessary to investigate systems (other than that which has given rise to the suspicion) through which the suspect(s) may have had opportunities to misappropriate the University's assets.

#### **Recovery of losses**

27. The FRP will assess the opportunity for recovering any losses, including taking legal action through the Courts, where appropriate. The Registrar & Secretary's Office will be responsible for ensuring that any legal action is pursued.
28. The FRP will notify the University's Insurance & Risk Manager who will report the matter to the University's insurers and attempt recovery of insured amounts.

#### **Prevention of reoccurrences**

29. The root cause of any irregularities or incidents of fraud or bribery will be considered as part of the investigation process. This should include considering why the incident occurred and which processes and controls failed or were not in place. This will allow any recommendations and remediation steps to then be made from an informed position and enable prompt detection of similar incidents in the future. To take remedial action, longer term changes in management controls, systems, policies and/or

procedures may be needed to prevent further loss or reoccurrence; these should be implemented as soon as possible.

30. A key objective in any investigation will be the punishment of the perpetrators, to act as a deterrent to others. It is important to raise awareness of the reality and consequences of fraud and bribery offences in order to intervene and to prevent offending or repeat offending. The University shall follow disciplinary procedures in relation to any member of staff or student who has committed/attempted to commit acts of fraud or bribery and will normally pursue the prosecution of any such individual.

### **Record keeping**

31. Records of any formal investigation should be passed to the Registrar & Secretary's Office. The Registrar & Secretary's Office maintains a register of all reports of suspected or actual cases of fraud, irregularity, bribery and corruption considered under the Plan. These records will show the nature of the incident and the outcome, including actions taken to prevent reoccurrence and detect similar incidents. The register is an important tool for managing, reporting and evaluating lessons learned and will feed into an annual report on cases of fraud and bribery which will be reported to the Audit Committee.

### **Office for Students**

32. Any circumstances matching the criteria in the [OfS reporting guidance](#) shall be notified without delay to the Vice Chancellor and the Chairs of both the Board of Governors and the Audit Committee. If appropriate, the University Registrar & Secretary may determine that the matter should be referred to University Executive Team for consideration as an [OfS reportable event](#). Under the University's procedure, all matters considered under the University's [Reportable Events Procedure](#) are notified to the Chair of the Board and formally reported to the Audit Committee. All matters notified to the OfS under the Reportable Events Procedure are also reported formally to the Board of Governors at its next meeting.

### **Internal Audit**

33. The internal auditors may conduct routine audit reviews to assess the measures put in place to manage fraud and bribery risks as part of the programme of internal audits in order to provide independent assurance that the University has in place adequate and effective arrangements for managing related risks.
34. Where required, independent investigation may be conducted by internal auditors/independent body under a level 3 incident.

### **Reference requests**

35. All **requests for a reference** for a member of staff or a student, who has been disciplined or prosecuted for an act of fraud or bribery, shall be referred to the **Director of HR** (for a staff member) or the **University Registrar & Secretary** (for students). The Director of HR shall prepare any answer to a request for a reference having regard to employment law.

### **Review of the Fraud & Bribery Response Plan**

36. This Plan will be reviewed at least every two years by the Registrar & Secretary's Office, or at the conclusion of an investigation if sooner. Any material proposed amendments or changes will be put to the University Executive Team for approval and reported to the Audit Committee.

# Fraud & Bribery Response Plan - Procedure Flowchart

