Glasgow Kelvin College

Anti-Fraud and Anti-Corruption Policy

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The Board of Management (or any person/group with delegated authority from the Board) reserves the right to amend this document at any time should the need arise following consultation with employee representatives. This Policy has been subject to an Equality Impact Assessment, which is published on our website: Policies and Reports - Glasgow Kelvin College

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1. Introduction

The purpose of this policy is to establish a framework within the College that facilitates the prevention, detection, investigation and elimination of fraud. This policy applies to all staff, students, contractors and Board of Management members[1].

The College is committed to providing a high standard of service and accountability. The College has clear systems and procedures to assist in the prevention and investigation of fraud, bribery and corruption within the College and from external sources and sets out the procedures in the event that fraud is suspected or detected. The College is committed to ensuring that these arrangements keep pace with developments, in both prevention and detection.

One of the basic principles of public sector organisations is to ensure the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk and the means of enforcing the rules against fraud/theft and other illegal acts involving corruption, dishonesty or damage to property.

In developing this policy, the College has taken account of existing external guidance and legislation, including the Scottish Public Finance Manual, UK Corporate Governance Code 2010 and Bribery Act 2010.

The College has a zero-tolerance approach to fraud and will treat any instances of fraud or corruption by its employees and any of its subsidiaries (including temporary and agency workers and any unpaid members of staff and voluntary workers) ("employee"); board members, or service providers/ contractors (which includes agents and others who represent the College wherever located) ("contractor"), as serious breaches of discipline and as potentially criminal acts. Bribery of, or by, any College employee, board member or contractor for either personal or organisational gain will be similarly treated.

The College will co-operate fully with any criminal investigations carried out in response to instances of fraud, corruption, or bribery.

2. Purpose

The purpose of this Policy is to provide guidance on the action, which should and will be taken when fraud, theft or corruption is suspected. Such occurrences may involve employees of the College, suppliers/contractors or a third party. This Policy sets out the Board of Management's response plan for detected or suspected fraud. It is not the purpose of this Policy to provide direction on the prevention of fraud.

[1] It should be noted that Board members are also charity trustees and any reference to Board members in College policy documents also refers to that role. Board of Management members also sign up to the Code of Conduct for the Members of the Board of Management of Glasgow Kelvin College.

Glasgow Kelvin College is committed to taking all practical steps:

- to prevent being subjected to fraud whether perpetrated by staff, Board of Management members, students, contractors, suppliers, members of the public, or other public or private sector organisations;
- to facilitate confidential and protected reporting of known or suspected fraud in association with the College's Public Interest Disclosure ("Whistle-blowing") policy and procedures;
- to identify and detect any instances of fraud at the earliest opportunity;
- to investigate any instances of fraud, with police involvement where appropriate;
- to take appropriate action to deal with any instances of fraud and with any perpetrators after investigation.

3. Definitions

3.1 Money Laundering

Money Laundering is the process by which the proceeds of crime are converted into assets that appear to have a legitimate origin, allowing them to be retained or recycled into further criminal enterprises. This definition is outlined in the Proceeds of Crimes Act 2002 (POCA), Money Laundering Regulations 2017, and all relevant guidance from the Scottish Public Finance Manual which includes all forms of handling or possessing criminal property. Additionally, money laundering involves disguising criminal proceeds as legitimate assets, requiring proof of intent and evidence traced through financial transactions.

The purpose of including Money Laundering is to prevent, detect and report any suspected money laundering activity within the College in compliance with the Proceeds of Crime Act 2002.

3.2 Corruption

Corruption is generally the abuse of entrusted power for private gain which includes dishonest influence, actions and/or decisions.

This may involve where someone is influenced by bribery, payment or benefit in kind to unreasonably use their position to give some advantage to another. Bribery is also covered in the College's Anti-Bribery Policy.

3.3 Fraud

Fraud is defined in this policy as "any act of willful dishonesty to gain individual or collective advantage." It is taken to include theft, misuse of property, corruption, the alteration of financial or other records or any unauthorised act which results directly or indirectly in financial gain to the perpetrator or to any third party.

This may involve:

- Falsification or alteration of accounting records or other documents.
- False accounting and/or making fraudulent statements with a view to personal gain or gain for another: for example, falsely claiming overtime, travel and subsistence, sick leave or special leave (with or without pay).
- Misappropriation of assets or theft.
- Suppression or omission of the effects of transactions from records or documents.
- Recording transactions which have no substance.
- Willful misrepresentations of transactions.

This policy also includes:

- Theft - including any misappropriation, stealing, and damage, malicious or otherwise, incurred in the course of a theft, and actual or attempted break- in.
- Computer misuse/fraud - where information technology equipment has been used to manipulate programs or data dishonestly (for example, by altering, substituting or destroying records, or creating spurious records), or where the use of an IT system was a material factor in the perpetration of fraud. Theft or fraudulent use of computer time and resources, including unauthorised personal browsing on the Internet, is included in this definition.

4. Prevention

The College recognises that the continuing effectiveness of this policy depends largely on awareness of this Policy. It is therefore essential that employees, contractors and Board members are made aware of this Policy and its procedures when they join/commence work at the College and either receive a copy for inclusion in their personal records, be provided with a copy or have access to this policy online and, in addition, have ready access to all other relevant documents, policies and procedures, which regulate the College's activities.

Action will be taken on a regular basis to remind both Board Members and staff of the importance the College places on avoiding and preventing fraud, bribery and corruption.

Robust control mechanisms are in place to prevent fraud, i.e. all line managers have a responsibility for maintaining documented control systems and must be seen to be setting an example by complying fully with all procedures, regulations and controls. The effectiveness of controls will be subject to periodic review by the College's internal auditors.

We have a structure with clear separation of duties in place and dual approval of payments. Regular reviews of income and expenditure, including capital expenditure, take place including reviews with budget holders.

All line managers have a responsibility for maintaining documented control systems and must be seen to be setting an example by complying fully with all procedures, regulations and controls. The effectiveness of controls will be subject to periodic review by the College's internal auditors.

All members of the College community have a responsibility to protect the assets and reputation of the College and are expected to be alert to the potential for fraud.

The College recognises that it is already subject to a high degree of external scrutiny of its affairs by a variety of parties. This includes the general public, staff, students, Internal Auditors, Board of Management members, Scottish Ministers/the Scottish Government, Members of the Scottish Parliament (MSPs), the Scottish Funding Council (SFC), External Auditors, Education Scotland, HM Revenue and Customs and Audit Scotland.

Furthermore, the College has internal and external auditors who advise the Board of Management about the adequacy of arrangements for the prevention and detection of fraud and corruption.

The key elements of the College's strategy to combat theft, fraud and corruption are:

- An open and honest culture;
- Adequate preventative measures;
- Confidential methods for reporting;
- Robust systems for detection and investigation;
- Understanding and awareness of systems and procedures within the College;
- Consistent and thorough methods for dealing with perpetrators after investigation.
- The adoption of a Public Interest Disclosure (Whistleblowing) Policy

5. Policies

All Board of Management members, staff, students and contractors need to be aware of and have ready access to this Policy and to associated College policies including the Standing Orders, Scheme of Delegation and Codes of Conduct.

The contents of this Policy have been set out as follows:

Section 6 sets out the Public Sector Values that must underpin the activities and culture of the College.
Section 7 sets out the Board of Management's policy on dealing with fraud.
Section 8 sets out the roles and responsibilities of staff in detecting and notifying fraud.
Section 9 is the response plan that managers will follow where fraud is reported.
Section 10 discusses the resourcing options for any investigation.
Section 11 advises on the pursuit of legal remedies, including option for recovery of any sums.
Appendix 1 sets out further guidance and reading in relation to the prevention of fraud.

6. Public Sector Values

High standards of corporate/personal conduct, based on the recognition that students come first, are a requirement, and these can be summarised as follows:
Accountability: Everything done by those who work in the College must be able to stand the tests of parliamentary scrutiny, judicial review, and public judgement on propriety and professional codes of conduct.

Probity: Absolute honesty and integrity should be exercised in dealing with students, assets, staff, suppliers and customers.

Openness: The College's activities should be sufficiently transparent to promote confidence between the College and its students, staff and the public. All those who work in the College should be aware of and act in accordance with these values.

There are several Statutory frauds which exist and are defined by legislation, including the following:

- Criminal Justice and Licensing (Scotland) Act 2010 (conspiracy to commit fraud overseas)
- Companies Act 2006 (fraudulent trading and false and misleading financial statements) Finance/Anti-Fraud and Corruption/V4 9
- Insolvency Act 1986 (fraudulent trading and fraud in anticipation of winding up)
- Financial Services and Markets Act 2000 and the Financial Services Act 2012 (misleading statements and impressions in relation to investments and financial products)
- Consumer Protection from Unfair Trading Regulations 2008 (misleading commercial practices)
- Value Added Tax Act 1994 (fraudulent evasion of VAT)
- Custom and Excise Management Act 1979 (fraudulent evasions of duty)

The College is also committed to participating in the National Fraud Initiative (NFI) exercise carried out by Audit Scotland. The NFI is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. The Cabinet Office oversees it, and Audit Scotland leads the exercise in Scotland, working with a range of Scottish public bodies and external auditors. The NFI takes place every second year.
The NFI in Scotland is now well established and enables public bodies to use computer data matching techniques to detect fraud and error.

The NFI's key features as highlighted by Audit Scotland report are:

- Acts as a deterrent to potential fraudsters
- Identifies errors and fraud enabling appropriate action to be taken
- Operates across boundaries and public bodies in different sectors and countries
- Can provide assurances that systems are operating well
- Can identify where system improvements are required

- Represents value for money through centralised data processing and identifying targeted high-priority matches

7. Board of Management Policy

The Board of Management is committed to maintaining an honest, open and transparent atmosphere within the College. It is committed to the deterring, detection and investigation of any fraud within the College.
In line with the Public Interest Disclosure Act 1998, the Board of Management wishes to encourage staff or public, having reasonable suspicion of fraud, to report the incident. It is College policy that no staff member should suffer in any way by reporting in good faith any reasonably held suspicions.

The term 'fraud' is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.
The criminal act is the attempt to deceive, and attempted fraud is therefore treated as seriously as accomplished fraud.

Computer fraud, or Cyber Fraud, is where information technology equipment has been used to manipulate programmes or data dishonestly (for example, by altering, substituting or destroying records, or creating spurious records), or where the use of an IT system was a material factor in the perpetration of fraud. Theft or fraudulent use of a computer time and resources, including unauthorised personal browsing on the internet, is included in this definition.

It is important that all staff are able to report their concerns without fear of reprisal or victimisation and are aware of the means to do so. The Public Interest Disclosure Act 1998 inserts provisions into the Employment Rights Act 1996, which provide protection for those who raise concerns that, in their reasonable belief, are made in the public interest and show that one of the following has taken, is taking, or is likely to take, place: criminal offences; breaches of any legal obligations; miscarriages of justice; danger to the health and safety of any individual; damage to the environment and/or the deliberate concealing of information about any of these matters.

In the first instance any suspicion of fraud, theft or other irregularity should be reported by the member of staff, as a matter of urgency, to their line manager. If reporting to the line manager would be inappropriate (for example because the line manager is potentially implicated in the suspected fraud, theft or other irregularity), the concerns should be reported to one the following persons:

Vice Principal Operations or in his/her absence another member of the Executive Leadership Team. If the allegations are against a member of the Executive, then the Chairman of the Board or the Chair of the Audit & Risk Committee should be contacted.

Every effort will be made to protect an informant's anonymity if requested. However, the College will always encourage individuals to be identified to add more validity to the accusation and allow further investigations to be more effective.

In certain circumstances, anonymity cannot be maintained. In these circumstances, the informant will be informed prior to release of information.

8. Roles and Responsibilities

The overall responsibility for the prevention and minimising of fraud rests with the Principal of the College. However, all staff have a responsibility for the prevention, detection and reporting of fraud.

The Vice Principal Operations is nominated as the main point of contact for the reporting of any suspicion of fraud. In addition, responsibility for investigation of fraud/theft has been delegated to the Head of Finance. The Head of Finance in consultation with the Vice Principal Operations shall be responsible for informing third parties such as the Scottish Further Education Funding Council, internal and external audit, or the police where appropriate. For incidents involving the Head of Finance, Vice Principals, the Principal and/or the Board of Management, the "nominated individual" shall be the Board of Management's Chair of the Audit & Risk Committee. The Chair of the Audit & Risk Committee may wish to involve the Secretary to the Board of Management as appropriate. For incidents involving the Chair of the Audit & Risk Committee the "nominated individual" shall be the Chair of the Board of Management. The Chair of the Board of Management may wish to involve the Secretary to the Board of Management as appropriate. For the purpose of the remainder of the Policy the nominated "Senior Manager" shall be deemed to be the Head of Finance or the Board of Management's Chair of the Audit & Risk Committee as appropriate.

The nominated Senior Manager shall inform and consult the Principal (except in the case where such matter involves the Principal where he/she shall consult with the Board of Management's Chair of Audit & Risk Committee) in all cases.

The Senior Manager may wish to obtain advice as to whether the matter should be investigated under the guidance set out in this Policy or under the College Disciplinary Procedure. The Director of People and Culture should be consulted in the first instance. Where a member of staff is to be subject to an investigation for fraud under the College Disciplinary Procedure, which can be found on the College intranet, the Senior Manager shall consult and take advice from the Director of People and Culture. The Director of People and Culture shall advise those involved in the investigation into the matter of employment law and other procedural matters.

Where the incident is considered to be subject to either local or national controversy and publicity then the Principal, Board of Management and the Scottish Funding Council should be notified (in addition to the External Auditors) before the information is made public.

It is the responsibility of the Vice Principal Operations to ensure that staff are aware of the above requirements and that appropriate reporting arrangements are in place.

It is the responsibility of all staff to safeguard the assets of the Board of Management. Assets include information and goodwill, as well as property. As such it is the responsibility of:

8.1 Line Managers

- To have an understanding of the fraud risks in their areas and to be aware of the processes which are under risk.
- Be diligent in their responsibilities as managers particularly in exercising their authority in authorising transactions such as timesheets, expense claims, purchase orders, returns and contracts.
- Deal effectively with issues raised by staff including taking the appropriate action in terms of this Policy to deal with reported or suspected fraudulent activity.
- Provide support/resource as required to fraud investigations.

8.2 All Staff

- To uphold the high legal, ethical and moral standards that are expected of all individuals connected to the College.
- Adhere to all the policies and procedures in safeguarding the College's assets.
- Should alert a member of management should they suspect that there is, or there is the possibility of, fraud that exists.

It shall be necessary to categorise the irregularity prior to determining the appropriate course of action. Two main categories exist:

- Theft, burglary and isolated opportunity offences
- Fraud, corruption and other financial irregularities.

The former will be dealt with directly by the police, whilst the latter will be investigated and may be reported to the police in accordance with this Policy and also may require disclosure to the College's funding bodies.

8.3 Response Plan

The following sections describe the Board of Management's response to a reported suspicion of fraud/theft. These procedures are designed to allow for evidence gathering and collation in a manner that will facilitate informed initial decisions, while ensuring that any evidence gathered will be admissible in any criminal or civil action. Each situation is different; therefore, the guidance must be considered carefully in relation to the specific circumstances of each case before action is taken.

Under no circumstances should a member of staff speak or write to representatives of the press, television, radio or to another third party (other than those external parties who are "prescribed persons" within the terms of the Public Interest Disclosure Act 1998), about a suspected fraud/theft, without the express authority of the Principal. Care needs to be taken that nothing is done that could give rise to an action for defamation of character.

8.4 Reporting Fraud

The nominated Senior Manager shall be trained in the handling of concerns raised by staff. The nominated Senior Manager shall, whenever possible, respect any request for anonymity or confidentiality providing that in doing so, that is consistent with the overall aims and objectives of this Policy and the principles of natural justice. All reported suspicions must be investigated as a matter of priority to prevent any further potential loss to the Board of Management of Glasgow Kelvin College.

The nominated Senior Manager shall maintain a log of reported suspicions. The log will document, with reason, the decision to take further action or to take no further action. To justify such decisions the nominated Senior Manager shall retain as necessary, confidential files of evidence gathered to arrive at a decision. These files will be securely held with limited access. The log will detail any actions taken and conclusions reached with appropriate cross-referencing to any file held. The log should be reviewed annually by the Internal Auditors, who will report to the Audit & Risk Committee on any significant matters.

The nominated Senior Manager should consider the need to inform the Board of Management, external audit and police of the reported incident. In doing so, the nominated Senior Manager should take cognisance of the following guidance:

- Suspected losses below £500 may be treated as below the delegated limit and any required action taken as appropriate by the Senior Manager.
- The Principal should be informed at the first opportunity in all cases of fraud.
- It is the duty of the nominated Senior Manager to notify the Board of Management immediately of all losses above the delegated limit where fraud/theft is suspected.
- If a criminal act is suspected, particularly fraud or corruption, it is essential that matters are progressed from the outset in accordance with this Policy. The police should be contacted before any overt action is taken, which may alert suspects and precipitate the destruction or removal of evidence. This includes taking action to stop a loss or tighten controls only on advice of the police not to take such action.
- At the stage of contacting the police, the nominated Senior Manager should contact the Director of People and Culture and HR to initiate, if appropriate, the suspension of the employee, with pay, pending an investigation.

8.5 Managing the Investigation

The nominated Senior Manager will appoint a manager to oversee the investigation. The circumstances of each case will dictate who will be involved and when.

The manager overseeing the investigation (referred to hereafter as the "Investigating Manager") should initially:

- Initiate a "Diary of Events" to record the progress of the investigation.
- If possible, determine if it is a fraud investigation or another criminal investigation. If a criminal event is believed to have occurred, the police, external audit and the Chair of the Audit & Risk Committee should be informed, if this has not already been done.

The Chair of the Audit & Risk Committee should inform the Chair of the Board of Management.

If a criminal offence is believed to have occurred, the Investigating Manager may consider it appropriate to wait until the conclusion of any criminal investigation and/or proceedings before determining whether to progress the internal investigation.
If it is determined by the Investigating Manager that a formal internal investigation should be carried out, the investigation should establish:

- The extent and scope of any potential loss.
- If the College Disciplinary Procedure should be invoked.
- The nature of the offence, if not yet established.
- What can be done to recover loss.
- What may need to be done to improve internal controls to prevent a re-occurrence.

The outcome of the investigation will be the subject of a report. This will normally take the form of an Internal Audit Report to the Audit & Risk Committee. The Audit & Risk Committee will then report the outcome to the Board of Management.
Where the report suggests that a criminal act has occurred and notification to the police has not been made, it should now be made.

Where recovery of a loss to the Board of Management, arising from any act (criminal or non – criminal), is likely to require a civil action, the College should seek legal advice. If a decision is taken to invoke the College's Disciplinary Procedure, the report of the investigation will be used during the formal disciplinary proceedings.
An employee(s) who is/are the subject of any investigation may be suspended with pay pending the outcome of any proceedings under the College Disciplinary Procedure.

8.6 Gathering Evidence

It is not possible for this procedure to cover all the complexities of gathering evidence. Each case must be treated according to the circumstances of the case, taking professional advice as necessary. The Investigating Manager should, at all times, seek to maximise the reliability of audit evidence.

If a witness to the event is prepared to give a written statement, it is best practice for an experienced member of staff to take a chronological record using the witness's own words. The witness should sign the statement only if satisfied that it is a true record of his or her own words.

At all stages of the investigation any discussions or interviews should be documented and, where possible, agreed with the interviewee.

Physical evidence should be identified and gathered in a secure place at the earliest opportunity. An inventory should be drawn up by the Investigation Manager and held with the evidence. Wherever possible, replacement or new documents should be introduced to prevent access to the evidence. If evidence consists of several items, for example a number of documents, each one should be tagged with a reference number corresponding to the written record.

8.7 Interview Procedures

The Investigating Manager should, wherever possible, attempt to gather documentary and third-party evidence for the purposes of the report. If an employee wishes to make a statement, it should be signed, dated, and include the following:

"I make this statement of my own free will; I understand that I need not say anything unless I wish to do so and that what I say may be given in evidence."

Informal contact with the police should be made at an early stage in any investigation to ensure that no actions are taken that could prejudice any future criminal case through the admissibility of evidence.

8.8 Reporting Process

Throughout any investigation, the Investigating Manager will keep the Principal, Vice Principal Operations, Head of Finance (if not the Investigating Manager) and Director of People and Culture informed of progress and any developments. If the investigation is long or complex, interim reports to the Audit & Risk Committee should be made. These reports may be verbal or in writing and may be in the form of an Internal Audit report.

On completion of the investigation the Investigating Manager will prepare a full written report setting out:

- A description of the incident, the people involved, and the means of perpetrating the fraud;
- The measures taken to prevent a recurrence;
- Quantification of losses;
- Progress with recovery action;
- Progress with disciplinary action;

- Progress with criminal action;
- Actions taken to prevent and detect similar incidents;
- The internal auditor will normally prepare this report

8.9 Disclosure of Loss from Fraud

A copy of the fraud report, for those above the £500 threshold, in appropriate format must be submitted to the Scottish Funding Council. Internal and External Auditors should also be notified of any loss. The register of losses and condemnations submitted annually to the Audit & Risk Committee should include any loss with appropriate description. This should also go to the Finance and Resources Committee in relation to asset loss or write offs.

Management must take account of the permitted limits on writing off losses that require formal approval as stipulated in the College Financial Regulations/Scottish Public Finance Manual.

8.10 Police Involvement

It shall be the policy of the Board of Management that wherever a criminal act is suspected the matter will be immediately notified to the police.

The nominated Senior Manager will decide at what stage the police are contacted. The nominated Senior Manager and Investigating Manager should informally notify police of potential criminal acts, to seek advice on the handling of each investigation at an early stage in the investigation.

8.11 Press Release

In the event that there may be potentially damaging publicity to the College and/or to the suspect, the Board of Management's Chair, on behalf of the Board of Management, should prepare, at an early stage, a press release giving the facts of any suspected occurrence and any actions taken to date. For example, suspension, although the name of the staff member suspended pending investigations should not be released to the press.

8.12 Resourcing of Investigation

The nominated Senior Manager will determine the type and level of resource to be used in investigating suspected fraud. The choices available will include:

- Internal staff from within the College
- Director of People and Culture and HR
- External / Internal Audit
- Specialist Consultant
- Police

In making a decision, the nominated Senior Manager should consider: independence, knowledge of the organisation, cost, availability and the need for a speedy investigation. Any decisions must be shown in the Log held by the Nominated Senior Manager. A decision to take "no action" will not normally be an acceptable option except in exceptional circumstances.

In any case involving a suspected criminal act, it is anticipated that police involvement will be in addition to an alternative resource.

8.13 Risk Assessment / Training

The College participates in the National Fraud Initiative every two years which is reported to the Senior Leadership Team and the Audit & Risk Committee; this exercise aims to identify and address potential fraud risks. The Public Sector Fraud Authority (PSFA) oversees the NFI across the UK, and Audit Scotland leads the exercise in Scotland, working with a range of Scottish public bodies and their external auditors. The National Fraud Initiative is a counter-fraud exercise which uses ICT systems to compare and match data sets provided by public bodies to seek to identify instances of fraud or error. Any such instances are then reported back to participants to investigate and action as appropriate.

Any training needs identified as part of this review will be undertaken as a matter of urgency. Establishing intent behind any irregularity should also be determined where possible.

8.14 The Law and its Remedies Criminal Law

The Board of Management shall refer all incidences of suspected fraudulent acts over the £500 threshold or criminal acts to the police for decision by the Procurator Fiscal as to any prosecution.

The Board of Management shall refer all incidences of loss through proven fraudulent or criminal act to their legal representatives to determine whether the loss can be recovered by civil action.

9. Procedures

The College's Senior Leadership Team are responsible for ensuring that appropriate internal controls are properly maintained and appropriate procedures are in place.

The College will at all times have internal control systems and processes including adequate separation of duties to ensure that, as far as possible, errors, fraud and corruption are prevented.

A Fraud Response Plan is detailed in Appendix 1 which has links to other relevant documentation, i.e.:

The Fraud Procedures are available via the links below:

- Flow Chart for Fraud Procedures
- Fraud Concern Form
- Fraud Register Template

If fraud is suspected then individuals should bring this to the attention of the Vice Principal – Operations – JEvans@glasgowkelvin.ac.uk or any member of the Senior Leadership Team, alternatively, suspected fraud can be reported to the Secretary to the Board of Management at whistleblowing@glasgowkelvin.ac.uk; this should be done as soon as possible to prevent a suspected situation worsening.
The College has a suite of policies and procedures in place which seeks to enable the Anti-Fraud and Anti-Corruption Policy to be fully implemented and supported, i.e.:

- Financial Regulations
- Disciplinary Policy and Procedure
- Procurement Strategy and Procedure
- Public Interest Disclosure Whistle Blowing Policy
- Scheme of Delegation
- Gifts and Hospitality Policy

Appendix 1 – Fraud Response Plan

1. Purpose

1.1. The purpose of this plan is to define authority levels, responsibilities for action, and reporting lines in the event of a suspected fraud or irregularity.

The use of the plan should enable the College to:

- Prevent further loss;
- Establish and secure evidence necessary for criminal and disciplinary action;
- Notify the Scottish Funding Council, if the circumstances are covered by the mandatory requirements of the Audit Code of Practice;
- Recover losses;
- Take appropriate action against perpetrators of fraud;
- Deal with requests for references for employees disciplined or prosecuted for fraud;
- Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud;
- Keep all personnel with a need to know suitably informed about the incident and the institution's response;
- Inform the police and establish lines of communication with the police;
- Assign responsibility for investigating the incident; and
- Establish circumstances in which external specialists should be involved.

2. Initiating Action

2.1. All actual or suspected incidents should be reported without delay to the Vice Principal Operations or in his/her absence another member of the Executive Leadership Team. If the allegations are against a member of the Executive, then the Chairman of the Board or the Chair of the Audit & Risk Committee should be contacted.

2.2. The Vice Principal Operations (or other appropriate person) shall, normally within 24 hours, call an Executive Leadership Team meeting to decide on the initial response and agree membership of a fraud project group.

2.3 The project group will decide on the action to be taken. This will normally be an investigation, led by the internal auditor. The decision by the project group to initiate a special investigation shall constitute authority to the internal auditor to use time provided in the internal audit plan for special investigations, or contingency time, or to switch internal audit resources from planned audits.

2.4. The College's external auditors should be informed of the suspected fraud and kept up-to-date on the work of the above-mentioned project group.

3. Prevention of Further Loss

3.1. Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the project group will decide how to prevent further loss. This may require the suspension, with pay, of the suspects. 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.

3.2. In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the College's premises. They should be allowed to collect personal property under supervision but should not be able to remove any property belonging to the College. Any keys to premises, offices and furniture should be returned.

3.3. The Director of Digital and Information Services should be required to advise on the best means of denying access to the College and its ICT systems, while suspects remain suspended (for example by changing locks and informing security staff not to admit the individuals to any part of the premises).

3.4. The internal auditor shall 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 College's assets.

4. Establishing the Facts and Securing Evidence

4.1. A major objective in any fraud investigation will be to establish the facts and facilitate appropriate disciplinary action as well as to act as a deterrent to other potential perpetrators. The College will follow disciplinary procedures against any member of staff who has committed fraud. The College will normally pursue the prosecution of any such individual.

4.2. The Vice Principal Operations in conjunction with the internal auditor will:

- Ensure that evidence requirements will be met during any fraud investigation;
- Establish and maintain contact with the police; and
- Ensure that members of staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

5. Notifying the Scottish Funding Council (SFC)

5.1. The circumstances in which the College must inform the SFC about actual or suspected frauds are detailed in the Audit Code of Practice.

6. Recovery of Losses

6.1. Recovering losses is a major objective of any fraud investigation. The internal auditor shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases.

6.2. Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The College would normally expect to recover costs in addition to losses.

7. References for Employees Disciplined or Prosecuted for Fraud

7.1. The College's Policy on the Provision of Employee References shall include 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 Culture.

8. Reporting to the Board of Management

8.1. 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 and the Audit & Risk Committee.

8.2. On completion of a fraud investigation, a written report shall be submitted to the Audit & Risk Committee. If fraud has been established, then the report shall contain:

- A description of the incident, the people involved, and the means of perpetrating the fraud;
- The measures taken to prevent a recurrence;
- Quantification of losses;
- Progress with recovery action;
- Progress with disciplinary action;
- Progress with criminal action;
- Actions taken to prevent and detect similar incidents;
- The internal auditor will normally prepare this report.

9. Responsibility for Investigation

9.1. The internal auditor shall normally lead all fraud investigations. Management shall not normally undertake fraud investigations, although management should co-operate with requests for assistance from internal audit.

9.2. Some special investigations may require the use of technical expertise, which the internal auditor does not possess. In these circumstances, the project group may approve the appointment of external specialists to lead or contribute to the special investigation.

Fraud Procedure Flowchart

Fraud Irregularity Detected or Suspected

The rights of individuals reporting a fraud will be protected under the College's Public Interest Disclosure ("Whistle Blowing" Policy and Procedure)

Person reporting the fraud should do so immediately to Vice Principal Operations: JEvans@glasgowkelvin.ac.uk
If the allegation involves a member of the Executive Leadership Team, report instead to the Chair of the Board or Chair of the Audit & Risk Committee. Alternatively to the Secretary of the Board of Management via: whistleblowing@glasgowkelvin.ac.uk

Within 24 hours:
Vice Principal Operations (or alternate Executive)
Convene an Executive Leadership Team meeting to:

- Determine initial response
- Agree membership of a fraud project group.

Fraud Project Group decides whether to initiate a special investigation.

- Normally, investigation is led by the Internal Auditor.
- This decision constitutes authority for the Internal Auditor to allocate time and resources.

Notify:

- The **External Auditors** of the suspected fraud and keep them informed.

Preliminary investigation to establish grounds to proceed

If there is insufficient evidence the case will be dropped. Reasons for doing so should be recorded

If initial investigation provides reasonable grounds for suspicion:

Fraud Project Group determines how to prevent further loss.
Possible actions:

- Suspend suspect(s) (with pay).
- Plan suspension timing to preserve evidence.
- Supervise suspect(s) while they collect personal property.
- Retrieve keys, access cards, and other College property.

IT Director advises on securing systems:

- Change locks, disable accounts, and notify security.

Internal Auditor reviews related systems that could also be affected.

Scottish Funding Council (SFC):

- Notify the SFC if required by the Audit Code of Practice (as determined by VPO/SLT).

Recovery of Losses
Responsible: Internal Auditor, with Legal advice as needed.
Actions:

- Quantify all losses.
- Seek repayment in all cases.

If loss is substantial:

- Obtain legal advice immediately.
- Consider freezing assets through the courts.
- Pursue civil recovery if repayment is refused.
- Seek to recover costs and losses.

Employee References
If employee disciplined or prosecuted for fraud:

- All reference requests must be referred to the HR Director per the College's Reference Policy.

Investigation Leadership and External Support

Default: Internal Auditor leads all investigations.
Management: Cooperate but do not lead investigations.
External Specialists:

- May be approved by the Fraud Project Group where technical expertise **is required.**

Reporting to Governance
Any variation from the fraud response plan:

- Must be reported promptly to the Chair of the Board and Chair of Audit and Risk Committee.

Upon completion of investigation:
Internal Auditor prepares a **written report** to the **Audit & Risk Committee**, including:

- Description of incident and people involved.
- Quantification of losses.
- Recovery, disciplinary, and criminal actions.
- Preventive measures taken.
- Recommendations for future prevention.

Review and Lessons Learned
After each incident:

- Review reasons, responses, and prevention measures.
- Update fraud control systems as necessary.

Glasgow Kelvin College - Fraud Concern Form

Section 1: Reporter Details *(Complete if you are comfortable disclosing – anonymous reports will still be reviewed if sufficient information is provided)*	
Name:	
Department or Course:	
Contact Number and/or email:	
Are you willing to be contacted for follow-up?	Yes ☐ No ☐

Section 2: Details of concern/issue.	
Name(s) of individual(s) involved:	
Relationship to the College (please tick)	Staff ☐ Student ☐ Contractor ☐ Other ☐ (please give details)
Describe the suspected fraud or irregularity: *(Please include what happened, when, and how you became aware.)*	
Date(s) / Timeframe of suspected activity:	
Location(s) where incident occurred:	

Type of alleged irregularity (tick all that apply):	☐ False funding claim (bursary, childcare, hardship) ☐ Falsified documentation (medical line, attendance, etc.) ☐ Misuse/theft of College property or funds ☐ Payroll or expense irregularity ☐ Conflict of interest / bribery ☐ Other (please specify below):

Section 3: Evidence or Supporting Information	
Have you attached or can you provide evidence?	☐ Yes ☐ No If yes, please provide evidence details (e.g. copies of forms, screenshots, correspondence):
Are there any witnesses or others who may have relevant information	☐ Yes ☐ No If yes, please provide name(s)

Section 4: Action Taken	
Have you reported this concern to anyone else (e.g. line manager, HR, Student Funding Team)?	☐ Yes ☐ No
Date concern first raised:	

Section 5: Declaration
I confirm that the information provided is true and accurate to the best of my knowledge. I understand this information will be handled confidentially in accordance with Glasgow Kelvin College procedures and data protection laws.

Signed:	
Date:	

Section 6: College Use Only (to be completed by investigating officer)	
Date received	
Received by (name/role)	
Reference number	
Initial assessment outcome	☐ Insufficient Evidence – Case Closed: ☐ Cause for concern – move to Formal Investigation:
Investigating officer appointed (name)	
Date investigation commenced	
Date case closed	
Summary of findings / action taken	
Reported to Internal Auditors?	☐ Yes ☐ No
Reported to SFC?	☐ Yes ☐ No
Reported to Police	☐ Yes ☐ No
Entered in Fraud Register	☐ Yes ☐ No

Register of Fraud Activity

Ref No.	Date Reported	Source of Allegation	Person(s) Involved	Role/Status (Student, Staff, Contractor)	Nature of Allegation	Fraud Project Group Member/s	Initial Assessment Outcome	Investigation Start Date	Outcome (Substantiated / Unsubstantiated / Ongoing)
2025-01	10/01/2025	Anonymous email	[Redacted]	Student	False bursary claim		Escalated for investigation	15/01/2025	Substantiated

Financial Impact (£)	Action Taken	Reported to Internal Auditors (Y/N)	Reported to SFC (Y/N)	Reported to Police (Y/N)	Date Closed	Control Weakness / Lessons Learned	Responsible Officer	Audit and Risk Committee Review Date
£1,200	Funds recovered; student disciplined		Yes	No	28/02/2025	Improved document verification checks	Head of Finance	10/03/2025