

Procedures relating to the control and investigation of Fraud, Theft, Bribery and Corruption (incorporating the Fraud Response Plan)

Procedure Category:	General
Subject:	Probity, integrity and ethical behaviour
Approving Authority:	Senior Vice-President (Operations)
Responsible Officer:	Deputy College Secretary & Chief Compliance Officer
Responsible Office:	Business Assurance
Related Procedures:	Financial Procedures
Related College Policies:	Financial Regulations Policy on Fraud, Theft, Bribery and Corruption Policy on information disclosure Policy on gifts and hospitality
Effective Date:	01 March 2019
Supersedes:	27 February 2015
Next Review:	31 July 2024

1. Purpose & Scope

- 1.1 These procedures set out the arrangements for reporting and investigating suspected instances of fraud, theft or corruption.
- 1.2 They also set out the steps that the university will take to minimise the opportunities for individuals or groups to commit fraud or theft.
- 1.3 Also contained in this procedure is a set of guidance notes relating to bribery, which are designed to assist in determining appropriate behaviour with regards to the acceptance of gifts, hospitality and donations.
- 1.4 The overall purpose of these procedures is to support the commitment of King's College London to conducting its activities fairly, honestly and openly.
- 1.5 These procedures apply to all members of the university and those who do business with it. This includes students, staff, contractors, suppliers, independent members of the university Council or co-opted members serving on the Council's committees. The procedure also extends to all subsidiary companies of the university and those parties connected to each subsidiary.

2. Definitions & operation of procedure

- 2.1 The terms "theft", "fraud", "bribery" and "facilitation payment" are all defined in the Policy on Fraud, Theft, Bribery and Corruption.
- 2.2 In the event that the person under suspicion is the Deputy College Secretary & Chief Compliance Officer, the Principal or Senior Vice-President (Operations) will identify another senior officer to take responsibility for the investigation.
- 2.3 Any officer identified as responsible for actions within this procedure may, with the agreement of the Principal or Senior Vice-President (Operations), delegate to an appropriately qualified individual.

2.4 The Principal can over-ride these procedures under their statutory powers; for instance, in the event that there is a need for a fast-track approach.

3. Procedures

Reporting a suspected incident

3.1 A suspected or actual incident of theft, fraud or bribery must be reported to the [Deputy College Secretary](#) without delay. Each report will be treated as confidential, insofar as it does not impede a comprehensive investigation of the allegation.

3.2 Upon receipt of an allegation, the Deputy College Secretary will undertake a preliminary investigation. The findings of the preliminary investigation will be presented to the Senior Vice President (Operations) or the Vice President (Finance) in order to decide if a full internal investigation is feasible and is likely to provide a reasonable suspicion that an individual or group has committed an act of fraud, theft or bribery.

Fraud Response Plan - Investigation of an allegation

3.3 If it is decided that a full internal investigation should take place, this will be conducted by the Business Assurance Department utilising resource from the Annual Audit Plan or, particularly where a technical specialism is required, by an independent third party with the support of the Business Assurance Department.

3.4 The Deputy College Secretary should at the earliest opportunity during an investigation into an alleged event take all appropriate steps to ensure that all relevant assets, accounting records and other evidence is properly safeguarded so that the integrity of the investigation is not in any way compromised.

3.5 It is the duty of all members of the university to co-operate with an internal investigation. Any member of the university who fails to co-operate with the investigation, or deliberately impedes it in any way, may be referred for further action under the university disciplinary procedures.

3.6 A decision to formally report a suspicion of fraud, theft or bribery to the appropriate authority will be made by the Deputy College Secretary in consultation with the Senior Vice-President (Operations). At this point, it will be for discussion and agreement with the authorities as to whether, or how, the internal investigation continues.

3.7 Where there is a potential for the allegation of fraud to cause serious reputational damage to the university, the Deputy College Secretary will, at an early stage of the investigation, brief the Director of External Relations and/or the Director of Corporate Communications in order that a media response strategy can be developed.

3.8 In order to support effective fraud investigations, the Deputy College Secretary will maintain familiarity with the university's disciplinary procedures and will assess the necessity for Internal Audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act (1984).

Fraud Response Plan - Prevention of further loss

3.9 The Deputy College Secretary should at the earliest opportunity during an investigation into an alleged fraud or irregularity take appropriate steps to safeguard relevant assets and accounting records.

3.10 Any investigation of suspected theft, fraud or corruption will be pursued in accordance with the appropriate disciplinary procedure. The Deputy College Secretary will consult the Director of Human Resources when there is evidence that it may be appropriate for an

employee to be suspended. It may be necessary to plan the timing of any suspension in a way that prevents the suspect(s) from destroying or removing evidence that may be needed to support disciplinary or criminal action.

- 3.11 The approach to each case of suspension should be reviewed afresh for each individual case. However, the need to secure evidence and assets should always be paramount and, therefore, the potential for approaching a suspect unannounced should always be considered.
- 3.12 Suspended individuals should be supervised at all times before leaving university premises. They should be allowed to collect personal property under supervision but should not be able to remove any property belonging to the university or any items required for the investigation. Any security passes and keys to premises, offices and furniture should be removed from a suspended member of staff.
- 3.13 The Director of Estates & Facilities may be required to advise on the best means of denying access to the university during suspension (for example by changing locks if necessary and informing security staff not to admit the individual(s) to any part of the premises). Similarly, the Chief Information Officer must be instructed to withdraw without delay access permissions to the university's IT systems.
- 3.14 The Deputy College Secretary 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 university's assets.
- 3.15 Where an alleged fraud or irregularity also impacts on one or more of the university's partners, e.g. NHS Trusts, reference should be made to the appropriate officer within each organisation concerned in the removal of a member of staff from property and/or in the need for joint disciplinary action, and/or to prevent access to the partner's assets, computer systems or data.

Fraud Response Plan - Reporting the investigation outcome

- 3.16 At the conclusion of the internal investigation, the Deputy College Secretary will advise the Chair of the Audit, Risk and Compliance Committee, the Principal and the Senior Vice President (Operations) of the findings of the investigation and will make recommendations for further action where appropriate. Recommendations may include actions for strengthening controls in order to reduce the likelihood of a recurrence of the incident.
- 3.17 In accordance with the Office for Students Terms and Conditions of Funding for HEIs, the Principal is responsible for informing the Regulator if a fraud exceeding £25k is discovered at the institution. In this instance, the Principal also has an obligation to ensure that the External Auditors are informed. The Principal is also responsible under the OfS Conditions of Registration to inform the OfS on becoming aware of "suspected or actual fraud or financial irregularity". No threshold is specified. For the purposes of this response plan, King's College London has adopted the established £25k threshold as the trigger for reporting to the OfS.
- 3.18 Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the Chair of Council and to the Chair of the Audit, Risk and Compliance Committee.

Fraud Response Plan - Recovery of losses

- 3.19 Recovering losses is a major objective of any fraud investigation. The Deputy College Secretary shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases. 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 seek to recover costs in addition to losses.

References for those dismissed or disciplined for fraud

- 3.20 The university policy for providing references includes a requirement that advice must be sought from the HR Department or Faculty Office before dispatching a reference where matters are not straightforward. This includes situations where the individual was dismissed or where disciplinary action has been taken against them.

Review of the Fraud Response Plan

- 3.21 The Fraud Response Plan will be reviewed for fitness of purpose by the Senior Vice-President (Operations) at least every three years. Any revisions will be reported to the Audit, Risk and Compliance Committee for comment before final approval.

4. Conflicts of Interest

- 4.1 Staff whose private interests may (or may be perceived to) conflict with their official duties are required to declare their interest, in accordance with Ordinance B5, the Financial Regulations and Procedures, the Rules & Regulations for Contractors, the Code of Practice for contracted services and consulting and with other university policies which specifically seek to control conflicts of interest.

5. Guidance relating to anti-bribery measures

Definitions

- 5.1 Bribery involves the offering, promising, giving, asking or receipt of an advantage in return or as a reward for someone acting illegally, unethically, in breach of trust, in breach of confidence, in breach of a contract (including his or her employment contract) or otherwise improperly. An 'advantage' may not necessarily be in the form of money and may include gifts, payment of fees, rewards, jobs, internships, examination grades and/or favours. Under current legislation, the advantage being provided need not be of direct benefit to the person behaving improperly for an offence to have been committed.
- 5.2 A "facilitation payment" is an unofficial payment made to secure or expedite a routine or non-discretionary process or procedure by a government official. It is illegal in English Law to make or accept such payments or to engage in any other activity that involves the giving of, promise to give, or offering, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite such a process or procedure.

Facilitation payments

- 5.3 Accordingly, all university members must avoid any activity that might lead to, or suggest, that a facilitation payment or 'kickback' will be made or accepted by themselves, on behalf of or by the university. Therefore, persons acting on behalf of the university should always be mindful of what payments given by or made to them are for and whether the amount requested is proportionate to the goods or services provided. A receipt which details reasons for any payment should always be sought and any suspicions, concerns or queries regarding a possible facilitation payment should be directed to the [Deputy College Secretary](#).
- 5.4 The university's policy is that no such payments should be made by or on behalf of the university. A member of the university may have a defence against disciplinary action under the Policy on Fraud, Theft, Bribery and Corruption if they make a facilitation payment in the genuine belief that their safety and security, or that of their companions, will be compromised if the payment is not made. In such cases, the individual who has made the payment will be required to provide comprehensive details of the circumstances and tangible evidence. Joint

guidance issued by the Director of Public Prosecutions and the Director of the Serious Fraud Office notes that the public interest test will tend against prosecutions in instances where individuals are in a genuinely vulnerable position. However, this relies heavily on the ability of the payer to establish solid evidence that they were placed in a vulnerable position and had an honestly held belief.

- 5.5 In these exceptional circumstances, where payment of a facilitation fee is unavoidable because of fear of personal safety, the payer should report the incident in writing to their line manager as soon as possible. The report should contain comprehensive details of the circumstances surrounding the payment and the evidence which the payer will rely on to establish that their safety and security was compromised.

Gifts and hospitality

- 5.6 Staff may offer and/or accept gifts and hospitality on behalf of the university in the course of carrying out their official duties, providing that that they remain in compliance with the [Policy on Gifts and Hospitality](#).
- 5.7 All gifts and/or hospitality of more than a token value received by staff must be declared in writing to the staff member's line manager at the level of head of department or its equivalent. Where staff need to accept and/or give gifts regularly in the course of their work, a Gifts Register will provide the most effective method of recording and monitoring activity. An example Gifts Register is included at Appendix A.

Donations

- 5.8 Donations should only be accepted in accordance with the [Policy for the Acceptance of Donations](#). Under no circumstances should staff request or accept any donations or grants where the donation or grant could be perceived to have been obtained through bribery or could be perceived to be a bribe in itself. Particular care should be taken where a donor or grantor is known to be seeking services from the university.

Working with third parties

- 5.9 The university expects that every business and individual performing services for it or on its behalf will do so in an honest and professional manner. The university takes a zero-tolerance approach to any form of bribery by its agents, consultants, contractors, suppliers, subsidiaries, joint venture partners and any other third parties performing services for or on behalf of the university.
- 5.10 When dealing with third parties, senior managers should:
- a) conduct a proportional due diligence process to determine whether there is a material risk that a third party will engage in bribery and to put in place appropriate safeguards to mitigate any such risk;
 - b) where possible, incorporate into the terms and conditions of any contract an obligation on the third party not to engage in bribery and a right for the university to terminate the relationship immediately if bribery by the third party is reasonably suspected;
 - c) where possible and appropriate, require the third party to undertake anti-bribery training; and
 - d) where possible, require the third party to adopt and implement anti-bribery procedures such as those set out in this procedure.

- 5.11 In order to determine what procedures would be appropriate and proportionate, managers should undertake a bribery risk assessment by reference to factors such as:

- a) the location of the third party or of the services to be provided if it is outside the UK, by reference to relevant sources such as Transparency International's Corruption Perceptions Index;
 - b) the industry in which the third party operates;
 - c) the nature of the services to be performed by the third party and in particular whether the third party are likely to interact with public officials on behalf of the university;
 - d) whether any bribery concerns have been identified and proven historically relating to the third party from basic internet searches or knowledge of past relationships with the university; and
 - e) the degree of control the university has over the activities of the third party.
- 5.12 The manager responsible for the relationship should document and retain their assessment of the risk. Where the risk is considered to be low, no further due diligence is required.
- 5.13 Where the general risk of bribery is considered medium overall, the manager responsible for the relationship should:
- a) carry out more detailed searches of publicly available information;
 - b) request an anti-bribery policy and procedure from the third party and assess these against certification standards;
 - c) obtain references from three independent sources;
- 5.14 The manager responsible for the relationship should document and retain their assessment of the risk. Provided no additional concerns are identified during the extended process, no further due diligence is required.
- 5.15 Where the general risk of bribery in a third party is considered to be high, the manager responsible for the relationship should consult with the Vice-President (Finance) as to what additional due diligence measures should be taken. Appointment of a third party assessed as high-risk from a bribery potential may only go ahead with the approval of the Senior Vice-President (Operations).
- 5.16 Any attempt by a third party to omit a contractual term which obliges them not to engage in bribery and a right for the university to terminate the relationship if bribery by the third party is suspected should be treated as a red flag' and lead to reconsideration of whether the third party should be appointed.
- 5.17 Where the third party is to be paid by commission, the level of commission should be in line with industry practice and in any case not more than 10%. Any expenses claimed by the third party should be reasonable, proportionate and adequately supported by receipts. Expenses should also be in alignment with the contract (i.e. there should be agreement beforehand as to what will be reimbursed and what is a normal cost of doing business).
- 5.18 The bribery risk associated with the third party should be reassessed each time the contract is renewed in accordance with these procedures.
- 5.19 Requests for advance payments during the relationship, particularly on an urgent basis, should be treated with caution and authorised only if the Vice-President (Finance) is satisfied that they do not represent a bribery risk.
- 5.20 If, during the course of the relationship with the third party, there are concerns that the third party may have engaged in bribery, whether or not in connection with the university's

business, these concerns should be referred to the Vice-President (Finance) as soon as possible. The Vice-President (Finance) will then determine the appropriate action.

Contracted work and conflicts of interest

- 5.21 The university permits staff to engage in both university-contracted and private consultancy and teaching work in accordance with the Financial Procedures. Such work should, however, never be sought or accepted where the work could be perceived to have been obtained through bribery or could be perceived to be a bribe in itself.

General bribery risk assessment

- 5.22 An assessment of possible bribery risks arising from undertaking business on behalf of the university can be found in Appendix B.

Appendix A

GIFTS & HOSPITALITY REGISTER

Date received	Recipient (Name & Directorate)	Received from (Name, position & organisation)	Description of Gift/Hospitality received	Value £ (Estimate if unknown)	Reason given for providing gift/hospitality
12/12/2016	John Smith (Corporate Services)	David Jones (Consultancy)	Lunch at BBB Restaurant	Approx. £40.00	Performance Review

Institutional bribery risk assessment

Risk area	Risk Activity		Risk (likelihood and impact)	Mitigation (Avoid, Reduce, Accept, Contingency, Transfer)
	"Active"	"Passive"		
Special Note	Any Illegal Activity			<ul style="list-style-type: none"> • Ultimate responsibility for any corruption and/or bribery that occurs within, by or on behalf of the university lies with the Principal as Head of the Institution. • Reduce - All new staff to be made aware of the relevant provisions of the Bribery Act 2010 on induction
University Generally		Staff receiving inducements for product or supplier loyalty	<p>Low reduced from medium with the introduction of e-procurement solution</p> <p>High impact depending on nature of contract and seniority of staff involved</p>	<ul style="list-style-type: none"> • Secondary Risk owner(s): Senior Vice-President (Operations), Executive Deans / Directorate and respective senior managers • Reduce - Circulation of anti-corruption Policy including prohibition on facilitation payments and gifts policy, senior managers to regularly refresh staff awareness • Reduce - Publish Policy in Policy Zone • Reduce - Ensure that all relevant staff and associated persons keep their declaration on the Register of Interest up to date
International Activities	Facilitation payments / improper gifts &		Low likelihood of occurrence	

	hospitality to establish and operate collaborations, summer schools, joint ventures and offices outside the UK		High impact individually and Corporately,	<ul style="list-style-type: none"> • Secondary Risk owner(s): Senior Vice-President (Operations), Vice-President (international), Director of External Relations • Reduce - Circulation of anti-corruption Policy including prohibition on facilitation payments and gifts policy, senior managers to regularly refresh staff awareness • Reduce - Financial Regulations require approval by the Director of Finance of overseas operations which require the setting up of a permanent establishment, the employment of staff, setting up legal entities overseas or setting up a bank account
	Facilitation payments to assist in occasional activities outside the UK involving contact with local government officials			
Procurement of Goods, Services and Works by all areas of the University		Suppliers, Consultants and Contractors offering relevant individuals bribes to circumvent due process (EU Directives/Public Contract Regulations 2006) in order to be appointed or sign off substandard work or products	<p>Medium likelihood of occurrence</p> <p>Medium to High impact, the potential impact increases with value of affected contract</p>	<ul style="list-style-type: none"> • Secondary Risk owner(s): Senior Vice-President (Operations), Executive Deans / Directorate and respective senior managers • Reduce - Circulation of anti-corruption Policy including prohibition on facilitation payments and gifts policy, senior managers to regularly refresh staff awareness • Transfer - Link to anti-corruption Policy to be included in all tender document/instruction with instruction that potential suppliers shall apply a similarly stringent policy when undertaking business with the Institution.

				<ul style="list-style-type: none"> • Reduce –Inclusion of the anti-corruption Policy within the Financial Regulations, Financial Procedures, and cross reference within the Purchasing Policy and Purchasing Procedures • Reduce/Transfer - Use of consortia where possible, adherence to thresholds for tendering • Reduce - Due diligence on approved contractors by the respective Head of School or Department in the case of work, supply or engagement of staff or service provision being delivered by or for their respective Directorate • Reduce - New lease agreements authorised by the Director of Finance and renewals by the Chief Procurement Officer, new contracts excluding buildings subject to scrutiny by Chief Procurement Officer • Reduce - university Terms of Business prohibiting disproportionate and/or extravagant gifts and/or hospitality from suppliers • Reduce - Other contractual provisions - anti-corruption/bribery training included in as compulsory training for all 'outward facing' staff • Reduce – Regular review and Monitoring of gift registers and circulation of anti-corruption Policy
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Primary Contractors	Contractors performing services on behalf of the University paying bribes to staff or third parties to secure business or approval of sub-standard work.		<p>Medium likelihood of occurrence</p> <p>Medium impact</p>	<ul style="list-style-type: none"> • Risk owners: Senior Vice-President (Operations), Executive Deans / Directorate and respective senior managers • Reduce - Circulation of anti-corruption Policy including prohibition on facilitation payments and gifts policy, project managers to raise awareness • Reduce - Due diligence on approved contractors by the Head of Directorate responsible for contractual provisions of supply of Goods, Services, Works or Facilities being acquired. • Reduce - Appropriate training and awareness programme for all staff and personnel associated with the acquisition, service provision or works being delivered.
Sub-contracting	Sub-contractors performing services on behalf of the University paying bribes to third parties		<p>Medium likelihood of occurrence within UK</p> <p>Medium impact</p>	<ul style="list-style-type: none"> • Risk owners: Senior Vice-President (Operations), Executive Deans / Directorate and respective senior managers • Reduce - Circulation of anti-corruption Policy including

				<p>prohibition on facilitation payments and gifts policy, project managers to raise awareness</p> <ul style="list-style-type: none"> • Reduce - Due diligence on sub-contractors, contractual provisions, payment provisions
Admissions/Registry	Staff travelling abroad on recruitment tasks making facilitation payments locally		<p>Low likelihood of occurrence</p> <p>Low impact individually, but potential impact increases with frequency of occurrence</p>	<ul style="list-style-type: none"> • Risk owner: Senior Vice-President (Operations), Executive Deans / Directorate and respective senior managers • Reduce - Circulation of anti-corruption Policy including prohibition on facilitation payments to staff, staff awareness
	Overseas agents making facilitation payments locally		<p>Medium likelihood of occurrence</p> <p>Low impact individually, but potential impact increases with frequency of occurrence</p>	<ul style="list-style-type: none"> • Risk owner: Senior Vice-President (Operations), Executive Deans / Directorate and respective senior managers • Reduce - Circulation of anti-corruption Policy to agents and staff, due diligence on agents, contractual provisions, payment arrangements (eg low commission, no expenses, no bonuses), level of interaction between staff and agents]
		Overseas agents bribing relevant staff for appointment	<p>Medium likelihood of occurrence</p> <p>Medium impact</p>	
		Students offering relevant admissions or academic staff inducements for places or improved marks/awards	<p>Low likelihood of occurrence</p> <p>Low impact individually</p>	<ul style="list-style-type: none"> • Risk owner: Senior Vice-President (Operations), Executive Deans / Directorate and respective senior managers • Reduce - Circulation of anti-corruption Policy to staff, entry requirements set by the university,

				involvement of large numbers of both academic and administrative staff in the admissions process
Fundraising		Donations being offered in return for places/awards	[Low] likelihood of occurrence Low impact individually	<ul style="list-style-type: none"> • Risk owner: Senior Vice-President (Operations), Executive Deans / Directorate and respective senior managers • Reduce - Donations required to be channelled through the Fundraising and Supporter Development Office in accordance with the joint KHP Policy for the Acceptance of Donations. Oversight of the Policy and scrutiny of donations by the Fundraising Ethics Review Group; ratification of major donations (over £100k) by the university Council • Reduce - Circulation of anti-corruption Policy prohibiting donations being accepted where they might be perceived as bribes, due diligence on large donors, scrutiny of provisions in gift agreements, checks on contemporaneous tenders, • Reduce - central Register of Interests for all associated individuals
		Donations being offered overtly/covertly in return for contracts	[Low] likelihood of occurrence Medium impact, but potential impact increases with value of affected contract	
Research Grant applications and awards	Grants being sought by relevant individuals (PIs etc.) by means of improper gifts, fees or other inducements		Low likelihood of occurrence High impact potential impact increases with value of affected contract	<ul style="list-style-type: none"> • Risk owner: Senior Vice-President (Operations), Vice-Principal (Research), Vice-Deans (Research), Director of RMID

		Grants being offered in return for contracts or other benefits, use of specific equipment or suppliers	<p>Medium to High likelihood of occurrence</p> <p>High impact, potential impact increases with value of affected contract</p>	<ul style="list-style-type: none"> • Reduce – Grant applications to be prepared, cognisant of the provisions of the Bribery Act 2010 and in coordination with the Research Grants & Contracts Division • Avoid - Circulation of anti-corruption Policy and prohibition of grants being accepted where they might be perceived as bribes. Furthermore, and set out gifts policy in context of the Bribery Act thereby raising staff awareness regarding scrutiny of contractual provisions
	Suppliers courting researchers to use their products or services so that they are named in the grant application by means of improper gifts, fees or other inducements such as heavily discounted or free consumables	Researchers acquiescing to using a product being offered under active terms (left) on the basis of an ill founded ‘Single Source Justification’ resulting in an unsubstantiated sole supplier relationship	<p>Medium to high likelihood</p> <p>High impact, reputational damage, loss of funding and retrospective clawback if associated with EU funding. University may risk being debarred from answering any tender requests from the public domain</p>	<ul style="list-style-type: none"> • Risk owner: Senior Vice-President (Operations), Executive Deans / Directorate and respective senior managers • Reduce - Application of the Financial Regulations, Financial Procedures, Purchasing Policy and Manual of Policy and Purchasing Procedures, use of consortia where possible, due diligence on approved suppliers, transparent tendering procedures and strict adherence to thresholds for tendering. • Reduce - Circulation of anti-corruption Policy prohibiting grants being accepted where they might be perceived as bribes, raising staff awareness, of funding obligations and contractual provisions