Oriel College

UNIVERSITY OF OXFORD

FRAUD POLICY

Version	Owner	Agreed by Finance and Estates Committee	Agreed by Governing Body	Reason for amendment	Amended by	Next review	Further notes
v.1	Financial Controller	4.10.2023	11.10.2023	This is the original version.	Governance Officer	**November 2024**	

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A. Introduction

Oriel College ("the College") is committed to the proper conduct of corporate activities, fairly, honestly and openly in order to prevent, detect and address fraudulent activity. This policy outlines our dedication to prevent fraud.

As a charity and higher education institution we recognise that we have a responsibility to take a robust approach to protect our operations and the reputation of the College, Oxford university and its funders, donors, staff and students.

The college is committed to conducting its activities in accordance with relevant legislation, and the highest standards of ethical behaviour, integrity, and accountability.

B. Information Security Classification

This policy represents a public declaration of the College's zero tolerance policy to all forms of fraud and fraudulent activity and as such will be posted on the College website.

The policy will also be internally available to College members via the SharePoint policy resource.

C. Delegated Authority

The Governing Body has delegated responsibility for this policy to the Finance and Estates Committee. The Finance and Estates Committee is responsible for ensuring that this policy is reviewed annually and published online to the College website.

The Financial Controller is the owner of this policy. The Financial Controller is responsible for ensuring that the policy is updated in line with legislative or regulatory changes, and that any changes are brought to the Finance and Estates Committee for approval.

It is the responsibility of all College members to be aware of the risks and signs of fraud and to report any suspicious activity whether by an employee, a student, or an external organization.

D. Policy Statement

This policy establishes guidelines and procedures to ensure the activities of the College guarantee the highest levels of transparency, integrity and compliance with the law. It applies to all

members of the College, and all those associated with the College including contractors, vendors and other entities engaged with our operations.

In order to conduct the activities of the University to the highest standards of integrity, in accordance with relevant legislation, and to ensure that there can be no suspicion or appearance of fraud or corruption, staff and associated persons are expected to:

- not commit or be involved in any form of fraudulent activity, theft or conspiracy to defraud;
- understand and perform their responsibilities as outlined under this and related policies;
- report any suspicion of fraud or irregularity immediately;
- ensure that the College's Information Security Policy and other relevant guidance is followed at all times, in order to protect sensitive systems and data and reduce the risk of fraud; and
- guard against the commission of fraud by or on behalf of anyone associated with the College

Any member of staff that fails to do so can expect to be dealt with in accordance with the agreed disciplinary procedures.

E. Scope

This policy applies to all aspects of the College's operations and covers financial transactions, reporting, procurement, contracts, research, and any other activities involving College resources

All staff are required to complete the training and adhere to the KPIs set out in **section G**. Particular care should be given by those listed in **section I** as responsible for safeguarding against high risk or known activities.

F. Definition of Terms

Fraud: Any deliberate act of deception, misrepresentation, or concealment of information intended to secure unlawful or unfair personal or financial gain or cause harm to the College. Outlined in the Fraud Act 2006.

Bribery: Any act of offering, giving, receiving, or soliciting something of value with the intent to influence someone's decisions or actions.

Whistle-blower: An individual who reports suspected fraudulent activities in good faith. Protected from discrimination and dismissal by the Public Interest Disclosure Act 1998. See Whistle-blower policy.

G. Training and Responsibilities

Training

The following training is required within the College to better understand and respond to identified fraudulent activity risks. As such the College will provide all staff with:

- induction on compliance with all policies, including the Anti-Fraud policy;
- awareness of the key identifiers for detection of fraudulent behaviour;
- induction on internal controls and clearly defined segregation of duties;
- details of whistle-blower mechanism, reporting and protection;
- cyber security and secure data handling training;
- training on vendor and supplier due diligence;
- regular awareness sessions to educate employees, students and relevant parties about fraud detection and details of fraudulent schemes

Responsibility

Effective fraud prevention requires a collaborative effort from all members and associates of the college. All employees must take an active role in fraud prevention and detection with more specific responsibilities as follows.

Treasurer

- Approve and oversee the implementation of the College's fraud prevention policy
- Undertaking a regular review of the fraud risks within each department
- Establish clear, easily accessible processes so employees can: report fraud or attempted fraud; report suspicious behaviour; and report potential fraud risks.

Finance and Estates Committee

- Anti-Fraud policy is implemented and regularly updated in line with regulatory requirement and advice given by the Home Office or University

IT

- Implement strong cybersecurity measures to safeguard against cyberattacks and data breaches.
- Regularly update and patch software to address security vulnerabilities.
- Train employees on safe online practices, including identifying phishing attempts.

- Monitor IT systems for unusual or unauthorized activity.

Financial Controller

- Provide training on credit card terminals

Development Office

- Ensuring all donations are responded to promptly and the donor thanked, therefore donor fraud should be promptly caught as a lack of response from the college would notify a donor.

Head Chef

- Regular stock checks, confirm no food is going missing.

Audit and Risk Committee

- Regularly review internal processes and the risks of internal and external fraud to highlight actions in order to mitigate these risks
- Review finances and College Financial Statements and report to the Finance and Estates Committee on any issues or problems
- Review any material transactions involving significant financial estimates or judgements

Human Resources

- Provide fraud prevention training during employee onboarding and periodically thereafter
- Establish clear, easily accessible whistle-blower processes that protect individuals who report suspicions of fraud
- Verify credentials and backgrounds of new employees

Managers

- Putting in place efficient and effective systems, procedures and internal controls to prevent and detect fraud
- Ensuring employees receive adequate training so they are aware of the risks of fraud and their responsibilities in preventing, detecting and reporting it
- Maintaining a system for recording all reports of actual or suspected fraud, the action taken and the outcome of any investigation

Staff

- Conducting themselves with integrity, objectivity, accountability, openness and honesty at all times
- Safeguarding the company's resources
- Being alert to indicators of fraud
- Alerting their immediate manager, supervisor, department manager or a director when they believe the opportunity for

fraud exists (for example, because of poor procedures or lack of effective oversight)
- Reporting details immediately if they suspect that fraud has been committed or have any suspicions that fraudulent acts or events may be about to happen. (It's not expected that they should prove the truth of their suspicion, but they must have a genuine concern and there must be reasonable grounds for that concern)
- Cooperating fully with any internal checks, reviews or fraud investigations

H. Prevention Methods

Oriel recognizes the importance of prevention and so uses the following methods to limit the potential for fraud before it can damage the reputation and resources of the college.

Code of Conduct

- Maintaining a comprehensive code of conduct that outlines ethical standards and expectations for all members of the College community.

Segregation of Duties

- Adequate separation of duties is maintained to prevent a single individual from having control over multiple aspects of a process.
- Alternating who audits each section of a process.

Authorization Controls

- All financial transactions and expenditures must adhere to clearly defined approval and authorization procedures.
- Outlining and enforcement of clear policies around the behaviour of the Governing Body, its Committee's and senior members of the college, in respect to: accepting gifts and hospitality; and declaring personal relationships and interests.

Internal Controls

- Robust internal controls are established to ensure accurate financial reporting, secure data handling, and transparent processes.
- Well designed and consistently operated management procedures, routinely evaluated to determine effectiveness at reducing or abolishing opportunities for fraud.
- Clear delegation of powers leaving no ambiguity and ensuring all individuals know their specific tasks and duties.

- Internal audit reviews.
- Outlining a clear and consisted procurement practice, and checking contractor and supplier relationships through value for money exercises.
- Documentation trails allowing the reconciliation of information e.g. receipts with expenses.

Training and Awareness

- Regular training sessions and awareness programs are conducted to educate employees, students, and relevant parties about fraud prevention and detection techniques.

Contractor and Supplier Due Diligence

- Rigorous vetting of vendors and suppliers is carried out before establishing partnerships

I. Detection Methods

Oriel carries out its own detection methods but also recognizes the importance of employees in detecting and reporting fraud. As such all employees should familiarise themselves with the signs of fraud and report any suspicious behaviour

Signs of Fraud

Fraud usually occurs due to three factors, incentive, opportunity and rationalisation. If you spot signs of these three factors it is worth reporting, while signs which suggest fraud don't necessarily mean fraud is being committed, when fraud is discovered there were almost always signs overlooked or ignored by co-workers or managers. Even if there may be a perfectly legitimate reason for signs of fraud they still should be reported.

Incentive

Incentives are the motives or pressures which lead individuals to commit fraud and there are often signs which suggest they may be committing fraud. Examples include but are not limited too:

- A wish to possess a certain lifestyle. If a fellow employee starts living well beyond their means, buying new cars, bragging about expensive holidays or items.
- A wish to maintain their current lifestyle. If you know someone has been financially struggling – perhaps due to mortgage payments, or private school fees – and they suddenly seem much more comfortable and financially stable.

- An expensive addiction such as a drug or gambling habit. Even if the employee is not committing fraud this could help the College provide the employee with the support they need.

Opportunity

Section H severely limits the opportunities for fraud nevertheless if opportunities arise it is an employee's responsibility to report it. If you spot areas which could be vulnerable to fraud, whether or not you suspect fraud is being committed (e.g. in your own job) report them. Examples of suspicious behaviour include but are not limited too:

- Excessive control issues. If a fellow employee or a manager is unwilling to share work, or delegate – especially if in doing so they seek to prevent the segregation of duties as outlined in **Section H**. Similarly, if they refuse to take holidays or sick leave, or while on holiday insist on continuing to perform a certain process.
- Close relationship to suppliers or contractors. If an employee is especially close with a specific supplier or contractor they may have undisclosed ties, be receiving kickbacks or helping defraud the College.

Rationalisation

Perpetrators of fraud often have to find a way to justify fraud, rationalising their actions to make their illegal behaviour seem acceptable to themselves.

- Perceived injustice/entitlement. If an individual believes they have been unfairly passed over on for promotions or raises, or that they deserve to be paid more or given a higher role. An employee constantly complaining about being underpaid or undervalued may believe themselves entitled to commit fraud.
- Desensitisation. If an employee is consistently able to get away with what co-worker perceive to be harmless incidents of fraud, stealing stationary or exaggerating time-sheets it may convince them that fraud is acceptable and they'll get away with it. Similarly if they believe fraud to be commonplace throughout the organisation they'll believe its more acceptable for them to commit.

Detection methods

- Audits: Internal and external audits assess the effectiveness of internal controls and identify vulnerabilities. Regular annual

or monthly stock takes, annual audits and internal reviews detect irregularities.
- Data Analytics: Data analyses processes and systems are employed to identify anomalies, trends, and patterns that could indicate potential fraudulent activities.
- Whistle-blower Mechanism: A confidential reporting mechanism is available to enable whistle-blowers to report suspected fraudulent activities without fear of retaliation.

J. Internal Help and Raising Concerns

Raising a concern

Any employee who discovers or suspects dishonest or fraudulent activity should report it immediately to their immediate manager, or to a senior manager.

A report can be made in person, by telephone or in writing. Any reports made will be strictly confidential and any good-faith reporting cannot result in any punishment or detriment. If an employee still has concerns about reporting fraud they make a report anonymously but should take extra care to ensure all necessary information and evidence is included in their report.

The following information will be needed:

- The nature of the concern and why it's believed to be true
- The background and history of the concern (with relevant dates)
- And, any evidence (if possible)

They must not attempt to personally conduct investigations related to any fraudulent act. They must not:

- Contact the suspected individual in an effort to find out the facts or demand restitution
- Discuss the case, facts, suspicions or allegations with anyone

All reports will be taken seriously and investigated appropriately.

No one will be penalised for raising a concern in good faith, even if it turns out to be unfounded.

Anyone who harasses or victimises someone for raising a concern in good faith will themselves be subject to disciplinary action.

Investigating

All information received will be treated in confidence. Every effort will be made to ensure the anonymity of the employee if that is

their wish. No information concerning the status of the investigation will be given out.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct.

Great care must be taken in the investigation of suspected improprieties or irregularities to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

Details of the allegation and the investigation should be stored confidentially whether or not the suspicion is substantiated to protect the college from potential liability and to identify an individual who may be making repeated malicious reports.

K. Consequences of a Breach in Policy

The College views fraud extremely seriously. All reports will lead to a thorough investigation and anyone found guilty of fraudulent activity will face disciplinary action. This policy applies to everyone. Any disciplinary action required will be conducted regardless of the suspected wrongdoer's length of service, position, title or relationship to the company.

Disciplinary action may include termination of employment or enrolment, legal action, and recovery of losses.

Response to fraud

Fraud is considered gross misconduct, should an employee be suspected committing fraudulent activity their Manager, the Domestic Bursar and HR should immediately begin a thorough investigation. If this investigation confirms the suspicion it will be followed up be disciplinary hearing which could result in instant dismissal. (**HR Process 5.2**).

Depending on the nature and scale of the fraud other members of the College, such as donors, may need to be informed or even the wider University or external bodies. The Provost should call an emergency meeting of five fellows under bylaw **I** (7), to determine who should be made aware. In co-operation with the Communications Office, the necessary bodies should be informed and a decision should be made as to whether and how to deal with the media.

Fraud necessitating recovery of losses or criminal prosecution

Should the severity of fraud require efforts to recover losses or criminal prosecution responsibility for recovering funds will be assigned to the Treasurer. The police will be informed and all evidence of wrongdoing handed over.

L. Further Help

Questions relating to the statements and guidance set out in this policy should be directed to the Treasurer in the first instance or the Governance Officer.

M. Reference

We operate the following policies that relate to our approach to financial misconduct and fraudulent activity.

- Whistleblowing Policy – we encourage all our staff, students, and other business partners to report any concerns related to the direct activities, or the supply chains of the College.

N. Appendices

Appendix A – Confidential Disclosure Form

Protected Disclosure of Information Form

Before you complete this form please note that all disclosures must be made in good faith and relate to a matter that you have reasonable grounds to be concerned about. It must not be merely intended to undermine the reputation of any colleague or service provider. If you make a disclosure which you know or reasonably ought to know to be false you will be guilty of an offence under the Protected Disclosures Act of 2000.

Name of employee making disclosure: _____

Job title: _____

Department: _____

Details of the disclosure: _____

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Signed: _____ Date: _____

Appendix B – Reporting Concerns Process