



# Anti-Fraud, Bribery and Corruption Policy

## Contents

Summary of policy .....	3
Reporting Suspected Incidents of Fraud, Bribery and Corruption .....	3
Summary of significant changes since last version.....	4
Policies superseded by this document.....	4
Scope .....	4
What this document covers .....	4
What this document does not cover .....	4
Related Documentation .....	5
Internal Guidance.....	5
External Guidance.....	5
The Open University Student Charter Principles.....	5
Introduction.....	6
Policy.....	6
1. Purpose.....	6
2. Policy principles.....	6
3. Definition of Fraud.....	7
4. Definition of Corruption.....	7
5. Definition of Bribery .....	7
6. Key Responsibilities .....	8
7. Communication .....	8
8. Due Diligence .....	9
Procedure.....	9
9. Implementation and enforcement of procedure.....	9
10. Non-compliance .....	12
11. Methods of appeal.....	12

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022

Glossary of terms .....	12
Bribery.....	12
Corruption .....	12
Deception.....	12
Embezzlement .....	12
Facilitation Payment.....	12
Fraud.....	12
Intermediaries .....	12
Subsidiaries.....	13
False Accounting.....	13
Further clarification .....	13
Alternative format .....	13

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022

## Summary of policy

The Open University conducts itself in a legal and ethical manner, and is committed to the prevention of fraud, bribery and corruption.

The purpose of this policy is to provide definitions of fraud, bribery and corruption, and define authority levels, responsibilities for action and reporting lines in the event of suspected, attempted or actual fraud, bribery or irregularity.

### Fraud

The Open University operates a zero-tolerance attitude to fraud and requires staff, students and our partners to act honestly and with integrity at all times and to report all reasonable suspicions of fraud.

### Bribery

The Bribery Act 2010 requires staff and postgraduate research students to not either directly or indirectly:

- Offer, give, solicit or accept any bribe, either in cash or any other form of reward, to or from any person or company, wherever they are located and whether they are a public official or body, or private person or company
- Give or retain any commercial, contractual or regulatory advantage through unethical or illegal means when conducting business on behalf of The Open University or its subsidiaries.

Staff and postgraduate research students must understand and strictly comply with the UK anti-bribery laws in all countries of the world.

### Corruption

Corruption is the misuse of power for personal gain. Staff and students must act with integrity at all times, and must ensure their activities, interests and behaviours do not conflict with this obligation regardless of their seniority.

---

## Reporting Suspected Incidents of Fraud, Bribery and Corruption

Staff should report all suspected or actual incidents of non-student fraud, bribery or other irregularity without delay to the University Secretary, Chief Financial Officer or Chief Auditor.

Staff should report all suspected or actual incidents of fraud concerning a student or applicant to study to the Secretary of the Student Fraud Group ([studentfraud@open.ac.uk](mailto:studentfraud@open.ac.uk)) who will consult with the Chief Auditor.

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022

Students should report all suspected or actual incidents of fraud, bribery or other irregularity (whether staff, student or associated person) to the Secretary of the Student Fraud Group ([studentfraud@open.ac.uk](mailto:studentfraud@open.ac.uk)).

Where staff and students feel unable to report in this way, they should report this through The Open University's [Whistleblowing Policy](#).

---

## Summary of significant changes since last version

Housekeeping changes have been made at the 2019 review to reflect administrative changes within the Open University.

---

## Policies superseded by this document

This policy document was introduced in June 2018 and replaced previous versions of the Anti-Fraud Policy and Anti-Bribery and Corruption Policy (last reviewed February 2018).

## Scope

### What this document covers

This policy applies to Open University officers, employees, other members of The Open University and any other associated person acting on The Open University's behalf.

An associated person is someone who provides services to The Open University, or acts on The Open University's behalf and could be an employee of any type, consultants, agents and other forms of intermediaries and subsidiaries.

For the purposes of fraud, this policy applies to all students contracted with The Open University, no matter where they are situated, including students studying with collaborative provision and apprentices. This policy also applies to applicants to study.

For the purposes of bribery, this policy applies to postgraduate research students in respect of the conduct of research and for activities such as fieldwork.

References to "staff and students" within this document cover all these categories of individuals.

---

### What this document does not cover

The bribery elements of this policy would not usually apply to undergraduate and taught postgraduate students unless they are themselves contracted by The Open University to provide a service. References to "staff and postgraduate research students" within this document covers all categories of individuals to whom the bribery element applies.

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022

## Related Documentation

Refer to the following documentation in conjunction with this document:

### Internal Guidance

#### All

- [Whistleblowing Policy](#)
- [Facilitation Payment Guidance](#)

#### Students

- [Academic Conduct Policy](#)
- [Code of Practice for Student Discipline](#)

#### Researchers Only (including postgraduate research students)

- [Code of Practice for Research at The Open University](#)

#### Staff Only (including researchers)

- [Behaviours and Standards at Work Policy](#)
- [Bribery Training E-Module](#)
- [Conflict of Interest Policy](#)
- [Hospitality and Gifts Policy](#)
- [Procurement Policy](#)

---

### External Guidance

- [Bribery Act Guidance](#) (published by Ministry of Justice)
- [Corporate Code of Ethics](#) (published by Chartered Institute of Purchasing and Supply)
- Professional Body Code of Ethics (for staff who are members of professional bodies)

---

### The Open University Student Charter Principles

This policy aligns with the following [Open University Student Charter](#) Principles:

- Principle 4: We work together to secure the University's mission and to promote the University's values

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022

## Introduction

The Open University conducts its business in a legal and ethical manner, and operates a zero-tolerance attitude to fraud, bribery and corruption.

Staff and students are responsible for acting honestly and with integrity, and they must ensure that their activities, interests and behaviours do not conflict with these obligations, regardless of their seniority. Staff and students must report all reasonable suspicions of fraud and bribery.

For specific guidance on how this policy may relate to personal circumstances, students may contact the Student Fraud Group ([studentfraud@open.ac.uk](mailto:studentfraud@open.ac.uk)) and staff can contact the Governance Team in the University Secretary's Office ([Governance-Team@open.ac.uk](mailto:Governance-Team@open.ac.uk)).

## Policy

### 1. Purpose

- 1.1 The purpose of this policy is to provide definitions of fraud, bribery and corruption, and to define authority levels, responsibilities for action and reporting lines in the event of suspected, attempted or actual fraud, bribery or irregularity.

---

### 2. Policy principles

- 2.1 The Open University has a zero tolerance approach to fraud, bribery and corruption, and as such all forms of fraud, bribery and corruption are prohibited.
- 2.2 This policy applies to Open University officers, employees, other members of The Open University and any other associated person acting on The Open University's behalf. It applies to all of The Open University's activities and operations and to all of its dealings and negotiations with third parties in all countries in which its employees, agents, partners and associates operate.
- 2.3 For the purposes of fraud, this policy applies to all students contracted with The Open University, no matter where they are situated, including students studying with collaborative provision and apprentices. This also includes applicants to study. For the purposes of bribery, this policy applies to postgraduate research students in respect of the conduct of research and for activities such as fieldwork.
- 2.4 The Open University will address risks of fraud, bribery and corruption by ensuring adequate and proportionate measures are developed and implemented to mitigate them.

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022

---

### **3. Definition of Fraud**

3.1 Fraud describes a number of activities including theft, false accounting, embezzlement, bribery and deception. The Fraud Act 2006 defines three class of fraud:

- False representation: a person commits fraud by intentionally and dishonestly making a false representation. A false representation includes intentionally giving a misleading or untrue statement.
- Failing to disclose information: a person commits a fraud if they dishonestly fail to disclose information.
- Abuse of position: a person commits a fraud if they dishonestly abuse their position.

3.2 To have committed a fraud a person must have acted dishonestly, and with the intent to:

- make a gain for themselves or anyone else  
and/or
- cause loss to anyone else, or expose anyone else to a risk of loss

---

### **4. Definition of Corruption**

4.1 Corruption is the misuse of power for personal gain

---

### **5. Definition of Bribery**

5.1 Bribery is where a financial or other advantage is offered as a reward to another party to persuade them to carry out their functions improperly. Bribery can be through the offering, promising, giving, demanding or accepting of an advantage such as gifts, hospitality, fees, rewards, jobs, internships, examination grades or favours.

5.2 An action is still classed as bribery regardless of whether the bribe is given or received directly or through a third party or whether it is for the benefit of the recipient or someone else.

5.3 Staff and postgraduate research students are required by the Bribery Act 2010 to not either directly or indirectly:

- Offer, give, solicit or accept any bribe, either in cash or any other form, to or from any person, company or other party. This applies no matter where that person is located and whether they are a public official or body, or a private person or company.

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022

- Give or retain any commercial, contractual or regulatory advantage through unethical or illegal means when conducting business on behalf of The Open University or its subsidiaries.
- 5.4 Staff and postgraduate research students must understand and strictly comply with the UK anti-bribery laws in all countries of the world. There is further guidance available on facilitation payments, which are common in some countries, and this is also outlawed under the Bribery Act.
- 5.5 The action or exchange of a bribe does not need to have taken place – promising to give or agreeing to receive a bribe would be considered bribery
- 5.6 Arrangements with third parties will be subject to clear contractual terms, including specific provisions requiring them to comply with standards and procedures relating to the prevention of bribery and corruption. The Open University will not engage, or continue business with, any individual or third party who we know or reasonably suspect of engaging in fraud, bribery or corruption.
- 5.7 Staff and postgraduate research students will not suffer penalty or other adverse consequences for refusing to pay a bribe even if a refusal may result in loss of business or a delay in proceedings.

## 6. Key Responsibilities

- 6.1 The University Secretary is responsible for developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud, bribery and corruption. They are supported by the Director, University Secretary's Office in the development of suitable controls in respect of students.
- 6.2 Heads of Unit are responsible for familiarising themselves with the types of fraud, dishonesty, bribery and corruption that might occur in their units, monitoring compliance with internal controls and agreed policies and procedures, and notifying their line manager (or any of the people specified in the procedure below) or any indications of fraudulent activity
- 6.3 Students must act with integrity in respect of their studies, and to provide full, accurate and truthful information when seeking any form of support or financial assistance. They should report any activity of the employees of The Open University or other staff which they consider may be in breach of this policy.

## 7. Communication

- 7.1 The Open University ensures that its fraud, bribery and corruption prevention, and associated policies and procedures, are embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the risk it faces.

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022



- 7.2 Heads of Unit or their nominees are responsible for ensuring the communication of The Open University's Anti-Fraud, Bribery & Corruption Policy and other relevant policies to associated person(s). Unit managers will monitor and review their procedures and action plans to ensure their suitability, adequacy and effectiveness in relation to this policy and implement improvements as appropriate.
- 7.3 This document is publically available to students and prospective students on The Open University website.

## 8. Due Diligence

- 8.1 The Open University will apply due diligence procedures, taking a proportionate and risk-based approach, in respect of persons and organisations that perform or will perform services for or on behalf of The Open University in order to mitigate identified bribery risks.
- 8.2 Where appropriate, unit managers or their nominee will complete sufficient due diligence when entering into arrangements with others to ensure they are not acting corruptly, and to periodically monitor their performance to ensure ongoing compliance. They will take appropriate action in response to any information uncovered as a result of due diligence which gives rise to concern and report any such actions to University Secretary, Chief Financial Officer or Chief Auditor.

## Procedure

### 9. Implementation and enforcement of procedure

#### Reporting Fraud, Bribery and Corruption

- 9.1 Students can report suspected or actual incidents to the Student Fraud Group (SFG [studentfraud@open.ac.uk](mailto:studentfraud@open.ac.uk)) who will consult with the Chief Auditor.
- 9.2 Staff should report without delay all suspected or actual incidents of fraud concerning a student or applicant to study to the Secretary of the SFG ([studentfraud@open.ac.uk](mailto:studentfraud@open.ac.uk)) who will consult with the Chief Auditor and will convene a meeting of the SFG as appropriate and as soon as is practicable to do so. SFG will give advice and guidance as to the further conduct of any investigation and if required escalate the issue to the Fraud Response Group (FRG).
- 9.3 Staff should report without delay all other suspected or actual incidents of fraud, bribery or corruption allegedly perpetrated by individuals other than students or applicants to study to the University Secretary, Chief Financial Officer or Chief Auditor. Any of the above should, as soon as practicable, notify and if appropriate hold a meeting of the FRG to decide on the initial response.

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022

- 9.4 Where staff and students feel unable to report in this way, they should report this through the Open University's [Whistleblowing Policy](#).

### **Referral to External Agencies**

- 9.5 The Chair of the SFG or FRG will decide at what stage a case should be reported to the police or other external agency such as the Serious Fraud Office (SFO). Certain offices carry criminal liability for individuals concerned and sanctions include significant fines and/or imprisonment.
- 9.6 The Open University must inform the Office for Students (OfS) about actual or suspected cases of fraud such as are detailed in their currently applicable Terms and Conditions of Registration. The University Secretary is responsible for informing the OfS or any such incidents. Liaison with other external bodies (for example the Student Loans Company) will be undertaken as appropriate to individual cases.
- 9.7 By informing the OfS The Open University will be fulfilling its duty to report serious incidents arising from fraud and theft to the Charity Commission

### **Prevention of Further Loss**

- 9.8 Where initial investigation provides reasonable grounds for suspicion of fraud or bribery, the FRG and/or SFG will decide how to prevent further loss. If the individual under suspicion is an employee or student this may require the suspension of the person(s) alleged to have committed the suspected fraud or irregularity. For an employee, this suspension could be with or without pay. It may be necessary to plan the timing of the suspension to prevent the individual(s) from destroying or removing evidence that may be needed to support disciplinary or criminal action.
- 9.9 The FRG and/or SFG will, as necessary, consult with The Open University's Security Manager about preventing subsequent access to Open University property and may authorise the withdrawal of permissions for Open University computer systems.
- 9.10 The Chief Auditor will consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the individual(s) may have had opportunities to misappropriate The Open University's assets.

### **Establishing and Securing Evidence**

- 9.11 The Chief Auditor will:
- maintain familiarity with The Open University's disciplinary procedures, to ensure that evidential requirements are met during a fraud investigation
  - establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022

- ensure that staff and students involved in fraud investigations are familiar with and follow rules on the admissibility and other evidence of criminal proceedings. This will usually involve the appointment of specialist fraud investigators
- ensure that the Internal Audit team are able to provide advice in accordance with The Open University's [Whistleblowing Policy](#).

### Recovery of Losses

- 9.12 Recovering losses is a major objective of any fraud and/or bribery investigation. The Chief Auditor will ensure that in all investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases.
- 9.13 The FRG and/or SFG will, as necessary, consider seeking legal advice, for example on the freezing of the suspect's assets in cases of substantial loss and on the recovery of losses and costs through the civil courts.

### References for Employees Disciplined or Prosecuted for Fraud

- 9.14 Any request for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to People Services. People Services will consider employment law when preparing any answer to a request for a reference.

### Reporting to Governors

- 9.15 Any incident matching the criteria in the OfS's Audit Codes of Practice shall be reported without delay by the University Secretary to the chairs of Council and the Audit Committee.
- 9.16 Any variation from the approved Anti-Fraud, Bribery and Corruption Policy, together with reasons for the variation, will be reported promptly to the chairs of both Council and the Audit Committee
- 9.17 The Audit Committee will be kept informed of the progress of any investigations relating to impropriety including:
- a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud
  - the measures taken to prevent a recurrence
  - any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.
- 9.18 This report will normally be presented as part of the regular updates provided by the Chief Auditor.

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022

---

## 10. Non-compliance

- 10.1 The Open University will investigate all instances of actual, attempted and suspected fraud, bribery and corruption committed by staff, students, consultants, suppliers and other third parties and will seek to recover funds and assets lost through fraud. Where individuals do not comply with this policy, they risk suspension or loss of employment and may be reported to external agencies such as the Police.
- 

## 11. Methods of appeal

- 11.1 Disciplinary codes for staff and students contain information on the right of appeal. If a fraud or bribery is reported to external agencies, for example the Police, the subject will have a right of appeal in the context of any action the agency might choose to take.

# Glossary of terms

### **Bribery**

See definition under section 5 of this policy.

### **Corruption**

See definition under section 4 of this policy.

### **Deception**

The act of hiding the truth, usually to gain an advantage.

### **Embezzlement**

To secretly take money that is in your care or that belongs to an organisation or business that you work for.

### **Facilitation Payment**

A facilitation payment is a payment which is made with the intention of securing or speeding up an administrative process. A common example is a government official being given money or goods to perform an existing duty.

### **Fraud**

See definition under section 3 of this policy.

### **Intermediaries**

An organisation that makes business or financial arrangements between companies or organisations that do not deal with each other directly.

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022

## Subsidiaries

Companies which are owned by larger companies.

## False Accounting

This involves an employee or organisation altering, destroying or defacing any account, or presenting accounts from an individual or organisation that does not reflect their true value or the financial activities of the organisation.

## Further clarification

If undergraduate and taught students have any queries about the content provided within this document and how to interpret it, please contact the Student Fraud Group (SFG [studentfraud@open.ac.uk](mailto:studentfraud@open.ac.uk)).

Postgraduate Research students can contact the [research-degrees-office@open.ac.uk](mailto:research-degrees-office@open.ac.uk) for further advice about this policy, or guidance if they are about to take a research visit abroad.

Staff can contact the [Governance-Team@open.ac.uk](mailto:Governance-Team@open.ac.uk).

If staff or students have any comments about this policy document and how it might be improved, please submit these to [SPR-Policy-Team@open.ac.uk](mailto:SPR-Policy-Team@open.ac.uk).

## Alternative format

If you require this document in an alternative format, students can contact the Student Recruitment team via <http://www.open.ac.uk/contact/> (phone +44 (0)300 303 5303), or your dedicated Student Recruitment and Support Centre via StudentHome if you are a current Open University student. Research Degrees Office are to be contacted for requests relating to postgraduate research students ([research-degrees-office@open.ac.uk](mailto:research-degrees-office@open.ac.uk)). Staff can contact [Governance-Team@open.ac.uk](mailto:Governance-Team@open.ac.uk).

Version number: 1.1	Approved by: Audit Committee
Effective from: March 2019	Date for review: February 2022