

Meeting	Agenda Item	Reference No
07/11/14	23	HEFCW/14/95

1 Issue

- 1.1 HEFCW's procedures for the management of fraud risk were first established in 2009 as part of the need to develop and promote an anti-fraud culture. They have since also been developed to promote anti-bribery procedures. A fraud and bribery risk register is now part of our annual risk management procedures.

2 Rationale for paper

- 2.1 The contents of this paper were presented to and discussed by the Audit and Risk Assurance Committee at its meeting on 5 November 2014. It sets out the results of the fifth annual fraud and bribery risk review carried out by all teams. In addition, it presents the new Fraud and Bribery Policy and Procedures as a result of the general review of all policies and procedures that HEFCW is currently undertaking. These replace the Fraud and Bribery Policy Statement and Fraud and Bribery Response Plan, respectively.

3 Recommendations

- 3.1 Council is invited to:
- i. note the contents of the new Fraud and Bribery Policy and Procedures;
 - ii. note the outcomes of the fifth annual fraud and bribery risk review carried out by teams. This review has identified no fraud and bribery risks above the reporting threshold to be included in the Corporate Fraud and Bribery Risk Register; and
 - iii. note that a comparative review of HEFCE's fraud risk management arrangements was conducted which resulted in no changes to our own procedures.

4 Timing for decisions

- 4.1 Council is not required to make any decisions as this paper is for information purposes only.

5 Council members' interests

- 5.1 No conflicts of interests have been declared in advance of the meeting.

6 Further information

- 6.1 Further information can be obtained from Nick Williams (Tel 029 20682299 ; E-mail: nick.williams@hefcw.ac.uk.)

7 Background

- 7.1 In 2009 Management Board agreed that the approach to establishing a Corporate Fraud and Bribery Risk Register should be proportionate to the potential risks and should avoid duplicating existing effort or documentation. It was also agreed that each team would need to prepare their own fraud and bribery risk register which could work as a 'subset' of their current risk registers.
- 7.2 This year, as usual, each team was required to assess the organisation's vulnerability to fraud and bribery, identifying their areas of activity most vulnerable and then to evaluate the scale of risk.
- 7.3 In March 2013, agreed proposals for a new approach to developing all HEFCW internal policies and procedures. This paper provides the new Fraud and Bribery Policy and Procedures which replace the respective Policy Statement and Response Plan.

8 Revised Fraud and Bribery Policy and Procedures

- 8.1 The policy and procedures have been reviewed according to the new approach and presented to Management Board in October 2014 and to the Audit and Risk Assurance Committee for approval on 5 November 2014. The policy and procedures are attached as Annexes A and B.

9 Outcome of fraud and bribery risk review by teams

- 9.1 No fraud or bribery risk has been identified by teams above the risk tolerance boundary which is an improvement from last year, where one risk was identified.

10 Comparison with HEFCE fraud and bribery risk management arrangements

- 10.1 It should be noted that the annual review of HEFCE's fraud and bribery risk management did not result in any changes as HEFCE have not made any amendments to their policy since 2012.

11 Next steps

- 11.1 Teams to review fraud and bribery risk annually, subject to any significant operational changes, and a Fraud and Bribery Risk Update Report to be presented to the Audit & Risk Assurance Committee in October 2015 and to Council in November 2015.

12 Financial implications

- 12.1 There are no financial implications arising from this paper.

13 Communications implications

- 13.1 The Fraud and Bribery Policy and Procedures will be made available externally on the HEFCW website and internally on the intranet. There are no other implications arising from this paper.

14 Diversity and equal opportunities implications

- 14.1 This paper has no implications for age, disability, marital/civil partnerships, maternity/pregnancy, race, religion or belief, sex, sexual orientation, any other protected characteristic or the Welsh language.

15 Risk Assessment

Risk	Action to address risk
HEFCW does not comply with public sector governance requirements to put in place arrangements for preventing, countering and dealing with fraud and/or bribery.	The Fraud and Bribery Policy and Procedures form part of HEFCW's anti-fraud and anti-bribery measures and address the risk of non-compliance with public sector governance requirements to put in place arrangements for preventing, countering and dealing with fraud and bribery.