University of the
Built Environment
EST. 1919

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Economic Crime Prevention Policy

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Contents

1. Introduction / Purpose

1.1. University of the Built Environment is committed to implementing and enforcing effective systems to prevent fraud and other forms of economic crime. Following the Economic Crime and Corporate Transparency Act 2023 ("ECCTA 2023"), the University recognises its legal obligations to prevent fraud by persons associated with it and acknowledges the enhanced personal liability of senior managers for economic crimes committed by the University. This Policy sets out our comprehensive approach to preventing fraud, false accounting, money laundering and other economic crimes.

1.2. This Policy applies to all the University's activities and operations, and to all its dealings and negotiations with third parties in all countries in which its employees and associated persons operate. All associated persons working on behalf of, under contract from or in collaboration with any part of the University or with its employees are expected to comply with the principles of this Policy. This includes sales agents as appropriate.

2. What is Economic Crime

2.1. Economic crime is a broad term encompassing various criminal offences relating to financial gain or loss, including fraud, bribery, corruption, money laundering, false accounting, and other dishonest conduct. ECCTA 2023 significantly expands corporate criminal liability in this area.

2.2. Under ECCTA 2023, the University can be criminally liable for:

2.2.1. Failure to prevent fraud – where an associated person commits a fraud intending to benefit the University or any person to whom the associated person provides services on behalf of the University (Section 199). The University has a defence if it can demonstrate it had reasonable procedures in place to prevent fraud.

2.2.2. Senior manager liability – where a senior manager of the University causes the organisation to commit certain economic crimes through consent, connivance or neglect.

2.2.3. False accounting and use of false documents – creating, using or possessing false or misleading documents or statements with intent to make gain or cause loss.

2.3. Under ECCTA 2023, organisations found guilty of failing to prevent fraud face unlimited fines, reputational damage, and potential exclusion from tendering for public contracts.

3. What is Fraud

3.1. Fraud is defined under the Fraud Act 2006 and includes Fraud by:

3.1.1. False representation – dishonestly making a false representation with intent to make a gain or cause loss (e.g., misrepresenting qualifications or financial information).

3.1.2. Failure to disclose information – dishonestly failing to disclose information when under a legal duty to do so with intent to make a gain or cause loss.

3.1.3. Abuse of position – dishonestly abusing a position of trust or authority with intent to make a gain or cause loss (e.g., procurement fraud, conflicts of interest).

3.2. Examples of fraud and economic crime risks in the higher education can include:

3.2.1. False claims regarding qualifications, courses or institutional status.

3.2.2. Procurement fraud and conflicts of interest.

3.2.3. Expense fraud and false accounting.

3.2.4. Misappropriation of University assets or funds.

4. Obligations on Senior Managers

4.1. 'Senior managers' are individuals who play significant roles in:

4.1.1. The making of decisions about how the whole or a substantial part of the University's activities are to be managed or organised; or

4.1.2. The actual managing or organising of the whole or a substantial part of the University's activities.

4.2. Senior managers should be aware of their enhanced personal liability under ECCTA 2023 for economic crimes committed by the University through their consent, connivance or neglect.

4.3. The penalties for economic crimes are severe. Under the Fraud Act 2006, individuals convicted of fraud can face imprisonment of up to 10 years and/or unlimited fines.

4.4. Senior managers are required to undertake specific training on economic crime prevention and their legal obligations.

5. Zero Tolerance Approach

5.1. The University has a zero-tolerance approach to bribery, fraud, and all forms of economic crime. All such conduct is strictly prohibited.

5.2. The University is committed to acting professionally, fairly and with integrity in all its dealings wherever it operates and it expects the same from all of the employees and those individuals or organisations that it contracts or engages with. It is therefore the University's policy to conduct all aspects of its business in an honest, ethical and sustainable manner at all times.

5.3. The University will address risks of fraud and other economic crimes by ensuring adequate, reasonable and proportionate prevention procedures are developed and implemented to mitigate them.

5.4. Arrangements with third parties will be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to fraud and other economic crimes. The University will not engage, or continue business with, any individual or third party who it knows or reasonably suspects of engaging in fraud and other economic crimes.

6. Reporting

6.1. Any concerns or allegations of fraud and other economic crimes should be reported to the University Secretary.

6.2. Where concerns of allegations relate to the University Secretary, they should be reported to the COO.

7. Record Keeping

7.1. In accordance with ECCTA 2023, all financial records, corporate documents, and business records must be maintained accurately and must not be falsified, concealed or destroyed to facilitate economic crime. Employees must ensure full transparency and traceability in all record-keeping.

7.2. All employees must ensure that all accounts, invoices, and other records, as well as documents relating to dealings with third parties including suppliers and customers, are prepared with accuracy and completeness. No accounts must be kept 'off book' to facilitate or conceal improper payments.

8. Due Diligence

8.1. The University will apply comprehensive 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 University to mitigate identified fraud and economic crime risks.

8.2. Due diligence procedures may include:

8.2.1. Verifying the identity of third parties, including checking registration details on Companies House and other official registers.

8.2.2. Conducting beneficial ownership checks to identify the individuals who ultimately own or control corporate partners and suppliers.

8.2.3. Verifying that third parties have genuine registered offices and are not using accommodation addresses for improper purposes.

8.2.4. Checking the background, experience and reputation of third parties.

8.2.5. Obtaining references and financial information.

8.2.6. Checking for any links to public officials, political organisations, or individuals with adverse media or sanctions listings.

8.2.7. Assessing whether third parties have their own economic crime prevention policies and procedures.

8.2.8. Ensuring that appropriate anti-bribery, anti-fraud and economic crime prevention clauses are included in contracts.

8.2.9. Conducting periodic reviews of third-party relationships to ensure ongoing compliance.

9. Post Reporting Actions

9.1. The University will ensure it takes appropriate action in response to any reported incidents of fraud or other economic crime. Investigations will follow the principles and procedures set out in the University's disciplinary procedures and relevant fraud policies. The University may conduct internal investigations and will cooperate fully with external investigations by law enforcement and regulatory authorities. Failure to comply with this Policy will lead to disciplinary action and proven allegations will result in summary dismissal. In relevant cases the police, Serious Fraud Office (SFO), National Crime Agency (NCA) and other authorities will be informed as economic crime offences carry criminal liability for individuals and organisations, with sanctions including unlimited fines and imprisonment of up to 10 years.

9.2. The University is committed to ensuring that employees have a safe, reliable and confidential way of reporting any suspicious activity. Employees who raise concerns or report wrongdoing can do so without fear of reprisal and will be protected in accordance with the University's Whistleblowing Policy.

10. Non-Compliance

10.1. Any employee who breaches this policy will be subject to the University's Disciplinary Procedure. A breach of this policy may constitute gross misconduct and could result in summary dismissal. Senior managers may also face enhanced personal liability under the ECCTA 2023

10.2. Breaches of the Fraud Act 2006, ECCTA 2023, the Proceeds of Crime Act 2002, and other relevant legislation may constitute criminal offences. The University reserves the right to report any matter to the police, the Serious Fraud Office (SFO), the National Crime Agency (NCA) and other relevant authorities where appropriate. The University recognises the benefits of self-reporting and cooperation with investigations and will consider such action in appropriate circumstances. Employees who breach this policy may be personally liable to prosecution and, on conviction, may face imprisonment of up to 10 years and/or unlimited fines. Senior managers may face enhanced personal liability for economic crimes committed by the University.

11. Proportionate Procedures

11.1. Following ECCTA 2023, the University will apply the six principles approach to fraud prevention (under ECCTA 2023):

11.1.1. Proportionate procedures – prevention procedures proportionate to the risks faced.

11.1.2. Top-level commitment – commitment from senior management and the Board of Trustees.

11.1.3. Risk assessment – regular assessment of bribery and fraud risks.

11.1.4. Due diligence – proportionate due diligence on associated persons.

11.1.5. Communication and training – effective communication and training programmes.

11.1.6. Monitoring and review – ongoing monitoring and periodic review of procedures.

11.2. The University recognises that the level of risk of fraud and other economic crimes varies across different areas of its operations and will ensure that its procedures are tailored and proportionate to those risks.

12. Risk Assessment

12.1. The University Secretary is responsible for ensuring risks are assessed and appropriate action taken to comply with this Policy, including reporting the identified risks and implementation of actions within their Business Plans.

12.2. The University will conduct periodic assessments of the potential risks of fraud and economic crime in its operations, taking into account factors such as (but not limited to) the countries in which the University operates and the value / complexity of transactions.

12.3. The results of risk assessments will inform the design and implementation of the University's economic crime prevention procedures and controls.

13. Communication and Training

13.1. The University ensures that its economic crime prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication. This includes awareness of fraud, false accounting, money laundering and other economic crime risks.

13.2. The University will provide training on this Policy and on recognising and preventing fraud and other economic crimes.

13.3. Training will also be provided to senior managers (and those employees in higher risk roles) on their enhanced personal liability under ECCTA 2023 and their responsibilities for preventing economic crime.

14. Monitoring and Review

14.1. The University Secretary will monitor the effectiveness and review the implementation of this Policy.

14.2. This Policy will be reviewed bi-annually or following any significant changes in legislation or guidance relating to economic crime prevention, including updates from the Serious Fraud Office, National Crime Agency, Home Office, or other relevant enforcement or regulatory bodies.

15. Useful References

- Serious Fraud Office guidance on corporate self-reporting: https://www.sfo.gov.uk/
- Home Office guidance on the failure to prevent fraud offence (Section 199 ECCTA 2023) - Offence of 'failure to prevent fraud' introduced by ECCTA - GOV.UK
- Transparency International UK: https://www.transparency.org.uk/
- Universities UK guidance on ethical conduct and governance in higher education.
- Office for Student Guidance on fraud and financial control
- Related University policies include:
- Whistleblowing Policy
- Fraud Policy
- Expenses Policy
- Procurement Policy
- Conflict of Interest Policy
- Employee Code of Conduct
- Disciplinary Procedure
- Data Protection and Privacy Policy
- Bribery Policy