



## Counter Fraud Policy

Scope	This Policy sets out the University's position regarding the prevention, detection, reporting, investigation and, where appropriate, action in respect of fraud
Approval	Audit Committee 15 June 2021
Date for Review	+3 years from last day of approval
Sensitivity	Open to public- published on website
Author/Owner	University Secretary
Key Contacts	University Secretary Director of Finance & Resources
Version Control- log of reviews/edits	Version 1
External Regulator	Office for Students- Terms and Conditions of Funding
Links to other internal policies and procedures are available via the Register of	Staff Disciplinary Process
Appendices	<ul style="list-style-type: none"> <li>- Fraud Response Plan (Appendix 1)</li> <li>- Guidance for individuals suspecting an instance of fraud (Appendix 2)</li> </ul>
Documents superseded by this Policy	<ul style="list-style-type: none"> <li>- Policy and Procedures for the Prevention and Investigation of Fraud (2016)</li> </ul>

## 2. Application of this Policy

- 2.1 The Policy applies to any fraud, bribery or corruption actual or suspected, involving employees as well as consultants, suppliers, contractors and other parties with whom the University has a relationship. Any investigative activity required will be conducted without regard to any individual's relationship to the University, position or length of service.
- 2.2 The Policy applies to all individuals working at all levels and grades, including all academic staff, professional staff, heads of department, member of the senior management team, other employees (whether permanent, fixed term or temporary), student employees, governors, consultants, contractors, trainees, seconded staff, casual associated staff and agency staff, volunteers, interns, agents or any other person acting

gain. In the University settings such other gains may include improved academic results or admission to courses. This term can also include the misuse of funds or other resources, or more complicated crimes such as false accounting and the supply of false information.

### 3.2 Examples of actions that are deemed to be fraudulent include (but are not limited to):

- abuse of position (abusing authority and misusing university resources or information for personal gain or causing loss to the University);
- attempting to make payments from the University with a stolen or unauthorised credit/debit card;
- destruction or removal of records without appropriate authority;
- disclosing confidential information to outside parties without appropriate authority;
- falsifying documents such as expense claims or timesheets, which is a form of fraud;
- forgery or alteration of any document e.g. a cheque or contract;
- giving or receiving bribes;
- inappropriate relationships with third parties causing conflicts of interest and loss to the University;



- deterring all members of the University community, as well as persons outside the University from committing fraud, bribery or corruption;
- investigating any instances of suspected fraud in a fair and efficient manner;
- applying appropriate sanctions to any member of staff who has engaged in fraud, bribery or corruption or who knowingly withholds information in relation to such matters under the relevant Disciplinary Policy;
- where appropriate, involving the relevant legal authorities in regard to allegations of fraud, bribery, or corruption;
- the recovery of all losses incurred; and
- the completion of appropriate action to prevent a recurrence.

## 5. Responsibility for and Review of the Policy

5.1 Responsibility for the Policy rests with the University Secretary

5.2 This Policy will be reviewed every three years, in line with University practice or after an identified instance of fraud, bribery or corruption and any need for change is transmitted to the Audit Committee for approval.



## 2. Initiating Action and Reporting Fraud

2.1 Suspicion of fraud may be captured through a number of means, including:

- a direct report of suspected fraud;
- as a result of:
  - the use of the Whistleblowing Policy and Procedure;
  - the completion of planned audit work; and/or
  - the operation of proper management and control procedures

2.2 All actual or suspected incidents should be reported without delay to the University Secretary who should determine at which level the incident should be investigated (see table below for definition of levels).

Level	Nature of Incident	Investigation
1	Straightforward process issues e.g. single student qualifications fraud, failed third party attempted fraud	Discussion between University Secretary and relevant member of University SMT actions agreed
2	Complex or multiple cases but below the OfS significant fraud threshold (currently £25k) OR Fraud above the OfS significant fraud threshold but less complex case, lower level of potential loss, lower reputational threat and seniority of individual below Head of Department level	Investigation conducted by internal investigating officer, reporting to a small panel convened by the University Secretary Formal report to the Vice Chancellor and University SMT
3	Fraud above the OfS significant fraud threshold but more complex case, high level of potential loss, higher reputational threat and seniority of individuals at Head of Department level or above	Investigation, conducted independently by University's internal auditors, reporting to the Audit Committee and Vice Chancellor

2.3 If the University Secretary should be suspected of fraud, bribery or corruption the matter should be reported, without delay, to the Vice Chancellor, who would then be responsible for determining the level at which the incident should be investigated.

2.4 Where an investigation is to take place, the members of the panel will be required to declare any conflicts of interest and where a conflict is identified another person with senior management responsibility shall be appointed.

2.5 Any invoking of the Fraud Response Plan at Level 2 (where the OfS significant fraud threshold is exceeded) or Level 3 shall be reported to the Chair of Audit Committee without delay. Level 2 issues below the OfS significant fraud threshold should be

<sup>1</sup> OfS Terms and Conditions of funding for HE for period to 31<sup>st</sup> July 2019

reported to the next meeting of the Audit Committee and Level 1 issues would not normally be reported to the Audit Committee but a record would be maintained by the University Secretary

### 3. Prevention of further loss

- 3.1 Where the initial investigation provides reasonable grounds for suspecting staff of fraud, the panel will decide how best to prevent further loss. If the suspect is a member of staff, they may be suspended on full pay (this will be dealt with under the Staff Disciplinary Process). It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.
- 3.2 In these circumstances, the suspect(s) would be approached unannounced. They should be supervised at all times before leaving University premises and should be allowed to collect personal property under supervision but should not be able to remove any property belonging to the University. Any security passes and keys to premises, offices and furniture should be returned to the University. Laptop computers and associated hardware/software must also be returned to the University.
- 3.3 The Assistant Director Operations should be required to advise on the best means of denying access to University buildings, whilst the suspect(s) remains suspended (for example removing access for staff cards). Similarly the Director of IT should be instructed to withdraw, without delay, access permissions to University computer systems.
- 3.4 The panel 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 University assets.

### 4. Establishing and securing evidence

- 4.1 The major objective in any fraud investigation will be to establish the facts of the case and then decide on appropriate actions, which may include disciplinary action. The relevant Disciplinary Policy will be followed in relation to any member of staff who has committed fraud and the University will normally pursue the prosecution of any such individual and/ or any other appropriate legal action.
- 4.2 The Investigating Officer/Internal Auditor will:



- maintain familiarity with the University's disciplinary policies to ensure that evidence requirements will be met during any fraud investigation and
- establish and maintain contact with the police/ or other appropriate authorities (only following approach to do so from the University Secretary who may take this role themselves);

## 5. Recovering of losses

- 5.1 Recovering losses is a key objective of any fraud investigation. The Investigating Officer/Internal Auditor shall ensure that in all fraud investigations, the amount of any loss will be quantified where possible and repayment of losses should be sought in all cases.
- 5.2 Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the courts pending conclusion of the investigation. Legal advice should also be obtained about prospects of recovering losses through the civil court, where the alleged perpetrator refuses repayment.

## 6. Reporting Lines

- 6.1 Any incident matching the criteria the OfS guidance as set out at Level 2 (see clause 2.2. above) shall be notified without delay to the Vice Chancellor and the chairs of both the Board of Governors and the Audit Committee. Regular update reports will be provided for ongoing cases. Any variation from the approved Fraud Response Plan, together with reasons for the variation, shall be reported promptly to the chairs of both the Board of Governors and the Audit Committee.
- 6.2 A final report on a fraud incident will be produced by the person the investigation is completed, and it will represent the definitive document on which the University (in a disciplinary situation) and possibly the police (in a criminal situation) will base its decision. The report shall be submitted to the Audit Committee containing:
- a description of the incident;
  - the value of any loss
  - the people involved, paying due regard to the individual(s) data protection rights;
  - a brief description of how the fraud occurred;
  - measures taken to prevent a recurrence; and
  - any action needed to strengthen future responses to fraud.

A follow-up report will be made regarding the implementation of any actions required.

## 7. Responsibility for investigation at Level 3

- 7.1 All investigations at Level 3 shall normally be led by the Internal Auditors and not by the University's management, although the University's management should cooperate with requests for assistance from the Internal Auditors.
- 7.2 Some Level 3 investigations may require the use of technical expertise which the Internal Auditors do not possess. In these circumstances the University Secretary or Vice Chancellor may approve the appointment of external specialists to contribute to a special investigation.

## 8. 7.2

## 9. References for staff disciplined or prosecuted for fraud

- 9.1 All requests for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referenced to the Director of HR. The Director of HR shall prepare any answer to a request for a reference having regard to employment law.

## Guidance for Individuals suspecting an instance of fraud

### What to do if you suspect an instance of fraud?

The University wishes to encourage anyone having reasonable suspicions of fraud (as defined in section 3 of the Policy) to report them and therefore, it is also policy that no detrimental action of any kind will be taken against a person who makes a complaint, in good faith. There are three main ways in which such a complaint can be made.

1. Ideally, an individual should notify the [University Secretary](#)

