



Policy name	Fraud Policy
Subject	Our approach to fraud or corruption
Approving authority	Assurance Committee
Accountable person	Chief Financial Officer
Responsible Team	Finance
First approved	March 2010
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1 Introductory Purpose & Background

The University of Nottingham (“the University”) is committed to the prevention of fraud, the proper use of funds, and ensuring its activities are conducted openly, honestly and fairly. Consequently, it is essential that everyone associated with the University is aware of the risk of fraud, corruption and theft.

This policy sets out the way the University will discharge its duties under the Fraud Act 2006 and Economic Crime and Corporate Transparency Act 2023 (ECCTA) and its commitment to ensuring reasonable procedures to prevent fraud are in place.

2 Scope

This policy covers employees, students, associated persons and activities of the University of Nottingham UK and its subsidiary companies and contractors.¹

Fraud can be perpetrated by persons outside as well as inside an organisation.

3 Definitions

Fraud

The Fraud Act 2006 creates a specific offence of fraud, defining it as

a dishonest act, through false representation, failure to disclose information or abuse of position, with the intent of causing a gain for self, or loss to another

The emphasis is on showing the intent of the person committing the fraud rather than demonstrating the loss to the victim.

The criminal act is the attempt to deceive and therefore attempted fraud is treated as seriously as accomplished fraud.

ECCTA expanded the definition of fraud to include fraud by false representation, false accounting, fraudulent trading, cheating the public revenue, and other offenses outlined in the Fraud Act 2006 and Companies Act 2006. It also creates a criminal offence of ‘failure to

¹ The University of Nottingham in Malaysia (“UNiM”) and the University of Nottingham Ningbo China (“UNNC”) have separate fraud policies.

prevent' fraud, so that leaders and an organisation can be prosecuted for not having a suitable control environment. They do not need to be aware of any fraudulent acts for this to apply. This fraud policy (and the mirroring documents in Malaysia and China) form the basis of that control environment.

Associated Persons

For the purpose of ECCTA, associated persons are individuals or entities performing services for or on behalf of the University. This includes but is not limited to employees, agents, subsidiaries, consultants, volunteers, suppliers, joint venture partners and contractors.

4 Policy

i. Key principles

The University has a zero-tolerance approach to fraud and any case of potential fraud will be thoroughly investigated and determined in accordance with the Fraud Response Plan.

The University expects staff to always conduct themselves with the highest standards of honesty, propriety and integrity in the exercise of their duties. The University expects all its staff, officers, representatives and partners to follow the ethical behaviours set out in the Nolan Principles. Those are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. These Principles underpin the university's Ethical Framework and are incorporated into this policy.

The University will maintain and review as required procedures to prevent fraud including:

- completing an annual fraud risk assessment
- providing a process for assessing compliance via the Partnership Due Diligence Framework
- providing fraud awareness and prevention training
- encouraging the reporting of fraud
- promoting detection and investigation of fraud
- recovering wrongfully obtained assets from the perpetrators of fraud
- pursuing corrective action in the event of fraud via its disciplinary procedures and/or by reporting criminal activity to the Police

The [Code of Research Conduct and Research Ethics](#) provides a comprehensive framework for research conduct, to guard against fraud and to promote good governance of all research carried out across the University and research activity must conform to this Code. Failure to comply with the provisions of that Code will be grounds for action to be taken in line with the [Code of Practice on Handling Allegations of Research Misconduct](#).

All employees will receive fraud awareness training appropriate to their role. Refresher training will be provided periodically and especially following updates to this policy or the ECCTA framework. Associated persons will be expected to keep to our standards of behaviour and comply with this policy.

ii. Record Keeping

It is important to be able to evidence that the University maintains and enforces this policy.

iii. Roles and Responsibilities

Council and Audit and Risk Committee are responsible for approving the Fraud Policy and will receive reports on any fraudulent activity and the actions taken to prevent further occurrences.

The Vice-Chancellor and President of the University is the Accountable Officer of the University under the regulatory framework of the Office for Students. Suspected fraud must be reported to the Vice-Chancellor via the Chief Financial Officer in accordance with the Fraud Response Plan.

The Chief Financial Officer is responsible for the design and establishment of the internal financial control system, managing fraud risk in the context of overall risks to the University and is responsible to the Vice-Chancellor for the organisation of the investigation of fraud in consultation with the Chief Governance and Risk Officer and the Director of Internal Audit.

The Chief Governance and Risk Officer is responsible for liaison with the Chief Financial Officer and the Director of Internal Audit regarding the investigation of fraud, and interaction with the Vice-Chancellor where the fraud involves University students or where the case has been reported under the University's whistleblowing procedure.

The Director of Internal Audit is responsible for:

- Investigations of allegations of fraud
- Gathering evidence, taking statements, and writing reports on suspected frauds
- Liaising with the Chief Financial Officer and the Chief Governance and Risk Officer
- Instructing the Associate Director of Security Services to report the fraud to the Police
- Reporting the fraud to Action Fraud (or equivalent)
- Providing reports on fraud to the Audit and Risk Committee
- Identifying weaknesses which contributed to the fraud
- Making recommendations for any necessary remedial action
- Following up any agreed remedial action

Employees are expected to always conduct themselves with the highest standards of honesty, propriety, and integrity in the exercise of their duties. The interests of the University must be paramount in all dealings, and staff are reminded of their duty to act in accordance with the [Anti-Bribery policy](#), the [Conflict of Interests policy](#), the [Anti-Money Laundering policy](#) and the [Travel and Expenses policy](#). Employees are reminded that they are responsible for:

- Acting with propriety in the use of University resources and in the handling and use of public funds whether they are involved with cash or payment systems, receipts or dealing with contractors or suppliers
- Reporting details of any suspected fraud, impropriety, or dishonest activity, whether by an employee or an external party, immediately to their Head of School or Department, or to one of the Chief Financial Officer, the Chief Governance and Risk Officer, or the Director of Internal Audit
- Cooperating or assisting in the investigation of any suspected fraud.

Managers should be alert to the possibility that unusual events may be indicators of fraud or attempted fraud and that fraud may be highlighted because of management checks or be brought to their attention by a third party. Managers must ensure that due diligence is undertaken before engaging with external contractors, agents, or partners. Contractual arrangements should include anti-fraud clauses and ongoing monitoring to identify fraud risk indicators. They are responsible for:

- Being aware of the risk of fraud
- Ensuring that systems of internal control, appropriate to the risk involved, exist within their area of responsibility, and that those controls are properly operated and complied with
- Reviewing control systems to satisfy themselves that the systems continue to operate effectively
- Reporting details of any suspected fraud, impropriety, or dishonest activity, whether by an employee or an external party, immediately to their Head of School or Department, or to one of the Chief Financial Officer, The Chief Governance and Risk Officer or the Director of Internal Audit.

Students are expected to always conduct themselves with the highest standards of honesty, propriety, and integrity during their studies. Students are reminded that they are responsible for:

- Acting with propriety in the use of University resources
- Reporting details of any suspected fraud, impropriety, or dishonest activity, whether by an employee, another student or an external party, immediately to their Head of School or Department, or to one of the Chief Financial Officer, the Chief Governance and Risk Officer, or the Director of Internal Audit
- Cooperating or assisting in the investigation of any suspected fraud

iv. **Reporting fraud**

Employees, students and associated persons are positively encouraged to raise any concerns they may have. Such concerns can be raised in the knowledge that they will be treated in confidence and in accordance with the Public Interest Disclosure Act 1998. This statute protects the legitimate personal interests of staff. The [University Whistleblowing \(Public Interest Disclosure\) Code](#) provides further information.

Instances of suspected fraud should be promptly reported to either the Director of Internal Audit, the Chief Governance and Risk Officer, or the Chief Financial Officer. Reports can be made in writing, via email, phone call or other communication. Suspected fraud can be reported anonymously, but it is helpful for investigations if concerns are raised openly. In practice, you may wish to discuss the suspected fraud with your line manager/supervisor or tutor prior to reporting. You should not discuss the matter with the individual/s you suspect of committing fraud, and you should not attempt to investigate the matter yourself.

Any allegations of fraud or irregularity will be properly and promptly investigated. Where allegations are made and are subsequently proved to be malicious and unfounded, this will be referred for consideration as a serious disciplinary offence under the University's disciplinary procedures.

In the event of a report which would amount to a potential breach of the University's conditions of registration with the Office for Students, including:

- a material adverse change
- a significant and immediate threat to the University's financial position;
- significant fraud, or
- impropriety, or major accounting breakdown,

this will be reported to the Chair of the Audit and Risk Committee, the Chair of Council, the Director of Internal Audit, the external auditor and the Chief Governance and Risk Officer.

v. Responding to instances of fraud

The University has in place a detailed Fraud Response Plan that sets out the steps to follow when a fraud is either suspected or found to have taken place. Any substantial variation from the Fraud Response Plan requires the approval of the Vice-Chancellor. The Chair of Audit and Risk Committee will be consulted as appropriate. The Fraud Response Plan is available on request from the Director of Internal Audit.

vi. Consequences of non-compliance

Should instances occur involving the theft of University property, and/or fraud, then as a publicly funded institution, it is a principle of this policy to treat the matter seriously by instigating disciplinary proceedings, (noting that theft and fraud are gross misconduct offences), and to notify the Police and other appropriate authorities.

The University will always consider seeking the prosecution of fraudulent activity irrespective of the value.

vii. How compliance with the policy will be measured.

Either on completion of a fraud investigation, or after assessing that no investigation is necessary, the Director of Internal audit will review the facts and circumstances of the event, assessing whether the policy has been appropriately followed. In instances where the policy was not followed, guidance will be provided as to what the appropriate action should have been, and consideration will be given as to whether wider fraud awareness training, including awareness of this policy, is required.

viii. Provisions for monitoring and reporting related to the policy.

The Director of Internal Audit briefs the Audit and Risk Committee at each meeting on any completed fraud investigations and prepares an annual report for University Executive Board on suspected fraud and irregularity.

5 Review

This policy will be reviewed every 2 years, or following the conclusion of any investigation, if sooner.

6 Related policies, procedures, standards, and guidance

The University has a range of policy guidance which offers advice and sets out the regulations pertaining to several areas, some of which may impact on the Fraud policy:

[Ethical Framework](#), including the Anti-Bribery Policy, the Conflicts of Interest, Gifts and Hospitality, the Anti-Money Laundering Policy, Whistleblowing (Public Interest Disclosure) Code

[Travel and Expenses Policy](#)

[External Work Policy](#)

[Financial Regulations](#)

[IT Security Policy](#)

[Student Code of Conduct](#)

[Reportable Events Process](#)

[Code of Research Conduct and Research Ethics](#)

[Code of Practice on Handling Allegations of Research Misconduct.](#)

[Partnership Due Diligence Framework](#)

Further advice and guidance is available from the Chief Financial Officer, the Chief Governance and Risk Officer, or the Director of Internal Audit.