

Fraud Policy Statement (UK)

1. Introduction

- 1.1 The University of Nottingham will not accept any level of fraud or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately.
- 1.2 The University expects staff to conduct themselves at all times with the highest standards of honesty, propriety and integrity in the exercise of their duties. The University expects all its staff and students to follow the ethical behaviours set out in the Nolan Principles. Those are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. These Principles underlie the University's Ethical Framework and are incorporated into this policy.
- 1.3 The policy of the University towards fraud is to:
 - encourage fraud awareness and prevention
 - encourage the reporting of fraud
 - promote detection and investigation of fraud
 - recover wrongfully obtained assets from the perpetrators of fraud
 - secure disciplinary action and prosecutions against perpetrators of fraud
- 1.4 Whilst the main responsibility lies with management, all employees and students have a responsibility for prevention and detection of fraud.

2. Definitions

- 2.1 This fraud policy covers employees and students, and activities of the University and its subsidiary companies and contractors.
- 2.2 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. It shifts the emphasis to showing the intent of the perpetrator, from the previous legislative position of demonstrating the loss to the victim.
- 2.3 Fraud can be perpetrated by persons outside as well as inside an organisation.
- 2.4 The criminal act is the attempt to deceive and therefore attempted fraud is treated as seriously as accomplished fraud.

3. Responsibilities

- 3.1 **Council and Audit and Risk Committee** are responsible for approving policy with regard to fraud and receiving reports on any fraudulent activity and the actions taken to prevent further occurrences.
- 3.2 **The Vice-Chancellor** is the Designated Officer of the University under the terms of the Memorandum of Assurance and Accountability with HEFCE. The Memorandum states that "The HEI's accountable officer must report any material adverse change without delay – such as a significant and immediate threat to the HEI's financial position, significant fraud, or impropriety or major accounting breakdown – to all of the following: the chair of the HEI's audit committee; the chair of the HEI's governing body; the HEI's head of internal audit; the external auditor; the HEFCE chief executive".

- 3.3 **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 institution and is responsible to the Vice-Chancellor for the organisation of the investigation of fraud in consultation with the Registrar and the Director of Internal Audit.
- 3.4 **The Registrar** is responsible for liaison with the Chief Financial Officer and the Director of Internal Audit with regard to the investigation of fraud, and interaction with the Vice-Chancellor where frauds involve students, or staff governed by the University Statutes.
- 3.5 **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 Registrar where investigations conclude that a fraud has taken place
 - Instructing the Head of Security to report the fraud to the Police
 - 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
- 3.6 Employees
- 3.6.1 The University expects employees to conduct themselves at all times 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 personal or family gain, or the perception thereof, must be avoided.
- 3.6.2 Employees 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 organisation, immediately to their Head of School or Department, or one of the persons named in section 4.5
 - Assisting in the investigation of any suspected fraud
- 3.6.3 Managers should be alert to the possibility that unusual events may be indicators of fraud or attempted fraud and that fraud may be highlighted as a result of management checks or be brought to their attention by a third party. They are responsible for:
- Being aware of the potential for fraud
 - Ensuring that systems of internal control, appropriate to the risk involved, exist within their area or responsibility, and that those controls are properly operated and complied with
 - Reviewing control systems to satisfy themselves that the systems continue to operate effectively

- 3.6.4 Employees reporting or investigating suspected fraud should take care to avoid doing anything which might prejudice the case against the person suspected of fraud.
- 3.6.5 Further advice and guidance is available from the Chief Financial Officer, the Registrar or the Director of Internal Audit.

4. University Policy

- 4.1 Should instances occur involving the theft of University property, and/or fraud, then as a publicly funded institution, it is University Policy to treat the matter seriously by instigating disciplinary proceedings for gross misconduct, and to notify the Police and other appropriate authorities.
- 4.2 University policy is always to consider seeking the prosecution of fraudulent activity irrespective of the value.
- 4.3 Employees and students are an essential element in upholding the University's stance on fraud and corruption, and they 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.
- 4.4 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 then such abuses will be viewed as a serious disciplinary matter.
- 4.5 Any person who has reason to believe that a fraudulent act, or any other irregularity, has taken place (which may involve cash; equipment; facilities; information; staff time; physical or intellectual property; non-disclosure of any personal, financial or beneficial interest as required under the University Register of Interests, etc) must immediately inform their Head of School or Department, or the Chief Financial Officer, the Registrar, or the Director of Internal Audit.

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- 4.6 On being notified, the Head of School or Department must immediately inform the Chief Financial Officer, the Registrar or the Director of Internal Audit.
- 4.7 The University has in place a detailed Fraud Response Plan which sets out the steps to follow when a fraud is either suspected or found to have taken place.
- 4.8 Essentially the procedure to be followed requires that:

The Chief Financial Officer, the Registrar and the Director of Internal Audit shall consult as necessary to co-ordinate the investigation of the allegations and determine the University's response. The Chief Financial Officer will inform the Vice-Chancellor immediately, as Designated Officer, and other members of the University Executive Board and senior management as appropriate.

4.9 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.

5. Other relevant policy links

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

- Anti-Bribery Policy
- Anti-Money Laundering Policy
- Ethical Framework
- External Work Policy
- Financial Regulations
- Gifts and Hospitality Policy
- IT Security Policy
- Procurement Policy
- Public Interest Disclosure Policy
- Research Code of Conduct
- Statutes and Disciplinary Procedures
- Travel and Expenses Policy

6. Research Misconduct

6.1 The University maintains a Research Code of Conduct which defines research misconduct. Incidents of research misconduct may be investigated in accordance with this Fraud Policy.

7. Policy Review and Maintenance

- 7.1 The Chief Financial Officer is to review this Policy every three years, or following the conclusion of any investigation, if sooner.
- 7.2 This Policy and the accompanying Fraud Response Plan have been approved by Audit and Risk Committee and Council.
- 7.3 The Fraud Policy Statement is published on the University's website. The Fraud Response Plan is available on request from the Director of Internal Audit.

The Registrar

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