



UNIVERSITY *of* GREENWICH

FINANCE DIRECTORATE

COUNTER FRAUD POLICY AND PROCEDURES

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Contents Page

1	Introduction	Page 3
2	Objectives	Page 3
3	Definition of Fraud	Page 4
4	Prevention	Page 4
5	Detection	Page 5
6	Response to Suspected Fraud	Page 6
7	Formal Reporting of Frauds	Page 7
8	References of Employees	Page 8
9	Monitoring and Review	Page 8
	Appendix 1- Counter Fraud Procedure Flowchart	Page 9
	Appendix 2- Counter Fraud Dos and Don'ts of Reporting Concerns	Page 10

COUNTER-FRAUD POLICY

1. Introduction

- 1.1 The university is committed to the proper use of funds, both public and private. It is essential that everyone associated with the University - including staff, students, employees, contractors and third parties - are aware of the risk of fraud, corruption, theft and other activities involving dishonesty, in all its forms. The University has zero tolerance to fraud and corruption.
- 1.2 The OfS (Office for Students) expects institutions to have in place a robust and comprehensive system of risk management, control and corporate governance that encompasses the prevention and detection of corruption, fraud, bribery and other irregularities. In some cases, suspected or actual fraud or irregularity is required to be reported to the OfS.
- 1.3 This policy promotes a culture of zero tolerance to fraud, and details measures for deterring, preventing, and detecting fraud. It also ensures all suspected frauds are investigated and the necessary sanctions imposed where fraud is proven.
- 1.4 This policy sets out the roles and responsibilities of staff, committees and other parties in countering fraud. Specifically, the sections which follow outline responsibilities for preventing and detecting fraud and set out how staff should respond if they suspect that a fraud is or has been taking place, and establishment of a counter fraud culture.

This policy applies to any fraud, or suspected fraud, involving employees as well as consultants and contractors.

- 1.5 Frauds committed by students of the University will be dealt with under the [Student Disciplinary Procedures](#).
- 1.6 Consideration at the earliest opportunity will be given on whether the matter should be investigated under another University procedure (e.g. [Staff Disciplinary Policy and Procedure link](#)) as outlined in Section 6.3.
- 1.7 In addition to any disciplinary sanctions that may apply, the University reserves the right to take any available civil action against individuals to recover misappropriated money and/or assets. The University will also work with the police and any relevant professional, statutory or regulatory body to pursue other sanctions including criminal proceedings.

2. Objectives

- 2.1 The objectives of the policy are;
 - Establishment of a counter-fraud culture
 - Maximum deterrence of fraud
 - Active and successful prevention of any fraud that cannot be deterred
 - Rapid detection of any fraud that cannot be prevented
 - Professional investigation of any detected fraud
 - Effective internal and external actions and sanctions against people found to be committing fraud, including legal action for criminal offences
 - Effective communication and learning in relation to fraud, and

- Effective methods of seeking redress when/where fraud has been perpetrated

The overriding objective of the University's counter-fraud activity is to ensure that

- (i) fraud is seen as unacceptable by each and every stakeholder and
- (ii) counter-fraud is seen to have the unwavering focus of the University as a whole

3. Definition of Fraud

3.1 Fraud is legally defined within the Fraud Act 2006. In its simplest form, fraud is deception usually carried out for personal gain and for money to the detriment of the University. Fraud can also involve the abuse of a position of trust.

3.2. The Fraud Act 2006 introduced three main offences. They are as follows:

- Fraud by false representation
- Fraud by abuse of position
- Fraud by failing to disclose information

3.3 Fraud and other wrongful acts may include, but are not limited to:

- Fraud involving cash, credit cards, physical assets such as laptops, vehicles, phones, or confidential information
- Misuse of accounts
- Procurement fraud
- Payroll fraud
- Financial accounting fraud, including fees
- Fraudulent expense claims
- Reference, qualification and related employment fraud
- Recruitment and appointment fraud
- Bribery and corruption fraud
- Academic fraud including immigration, admissions, internships, examinations, grant or research funds or sponsorships and awards
- Identity fraud.

4. Prevention

4.1 The University recognises the importance of prevention in its approach to fraud and has in place prevention measures that include removing the opportunity, effective leadership, management systems and internal controls, and its financial regulations.

4.2 *Leadership*

All senior managers are expected to lead by example in ensuring that the highest levels of ethical conduct are adopted and that the University's regulations, procedures and policies are complied with.

Staff should take special care in ensuring that their dealings with other organisations cannot give rise to conflicts of interest between their duty of employment and their personal interest. This extends to the acceptance of hospitality and gifts from these organisations.

Staff and Governors are expected to declare any actual or potential conflicts of interest and gifts and hospitality relating to their roles according to the University's [procedures](#). Senior members of the University staff, Governors and other staff with financial

responsibility are also required to complete a declaration for University's Register of Interest recording any links with third parties and any gifts and hospitality that may give rise to a conflict of interest.

4.3 *Management Systems and Internal Controls*

The existence of effective management systems and internal controls is at the forefront of fraud deterrence and prevention. These controls seek to ensure that no employee has control over all aspects of a transaction, thus reducing the risk of fraud.

The Internal Auditors have an important role to play in ensuring that the University has effective management systems and internal controls.

4.4 *Financial Regulations*

The University has established [Financial Regulations](#) and Procedures. All members of staff are required to adhere to these when conducting the University's business and to act in the best interest of the University at all times.

4.5 *Treasury*

Detailed cash handling and banking procedures, as well as the University's [Treasury Management Policy](#) mitigate the risk of treasury fraud.

4.6 *Procurement*

The procedures for approving new suppliers, raising & approving purchase requisitions and compliance with the University's [Financial Regulations](#) mitigate the risk of procurement fraud.

4.7 *Cyber*

Information and Library Services firewalls and data security policies and protocols provide effective data security controls and protection against cybercrime.

4.8 *Identity*

Strict guidelines on the security of personal details held by the People Directorate, Finance Directorate and Student and Academic Services as well as not storing debit / credit card details are in place to mitigate the risk of identity fraud.

5. **Detection**

5.1 Whilst it is accepted that no systems of preventative measures can guarantee that fraud will not occur, the University has detection measures to highlight irregular transactions.

5.2 Fraud, suspected fraud or irregularity may be captured through a number of means, including the following:

- Staff reporting any suspected fraud to their line manager;
- The University's [Public Interest Disclosure \(Whistleblowing\) Policy and Procedure](#), [Anti-Money Laundering and Counter Terrorist Financing Policy](#), and [Anti-Bribery Policy](#)
- Operation of proper management and control procedures;
- Planned audit work. However, it should be noted that responsibility for identifying fraud rests with the University's management and not the internal or external auditors.

6. Response to Suspected Fraud

6.1 It is everyone's responsibility to be alert to fraud. Where a member of staff identifies any suspected fraud, they should report the matter immediately to the University Secretary. In cases where it may be inappropriate to report fraud or suspected fraud to the University Secretary, the employee making the report is advised to contact the Chief Financial Officer directly.

6.2 All such concerns will be treated in confidence, wherever possible, and will be impartially investigated. The information below sets out the detailed approach to reporting suspected fraud and how they will be investigated through to action and formal reporting.

6.3 *Initial Response*

As soon as reasonably practicable following the report of a suspected fraud or other irregularity the University Secretary shall convene a meeting with all of the following to consider the initial response to the suspected fraud:

- Chief Financial Officer
- Executive Director of People
- Another member of Vice-Chancellor's Executive appointed by the Vice-Chancellor & CEO (or by the University Secretary if the Vice-Chancellor is conflicted)

Where one of the above is the subject of the allegation or otherwise subject to a conflict of interest, another senior officer shall be appointed to the group in their place.

The Vice-Chancellor & Chief Executive Officer (CEO) (unless they are the subject of the allegation) and the chair of the Audit and Risk Committee shall be informed about the suspected fraud or irregularity and the progress of any investigation.

The group should consider the facts available at this stage and decide on:

- Whether the matter should be referred to the police for criminal investigation;
- Whether interim action is required to prevent the risk of further losses;
- Whether further investigation is required given the available facts;
- Who should conduct that investigation (the investigating manager);
- Whether the matter should be investigated under another University procedure (e.g. the Staff Disciplinary Policy and Procedure [Staff Disciplinary Policy and Procedure link](#))
- Whether specialist input is required;
- Action needed to prevent further losses

Further meetings of the group may be required to discuss the progress of the investigation. Any member of the group should declare any conflict of interest as soon as they become aware of it and remove themselves from the investigation.

Preventing further losses

6.4 Where the initial investigation provides reasonable grounds for believing that a fraud has been committed, the group will need to consider any action required to prevent further losses. This may require the suspension of the employee or employees suspected of fraud, as a neutral act to permit effective investigation, under the University's Staff Disciplinary

Policy and Procedure. Where a decision is taken to suspend the employee or employees suspected of fraud this must be carried out at the earliest opportunity to prevent the destruction or removal of evidence to support any future disciplinary or criminal action. The suspended employee should be supervised at all times prior to leaving the premises. They should be required to return their security pass and keys to all premises, offices and furniture. The Executive Director and Chief Information Officer should be informed so that access to all of the University's computer systems is withdrawn.

Establishing and securing evidence

- 6.5 Any investigation by the University will proceed with the objective of preserving evidence that may be used in criminal or other proceedings.

The University Secretary will appoint the investigating manager and oversee the formal investigation into the suspected fraud. The investigation will gather information of sufficient quality to substantiate (or otherwise) the case of suspected fraud. The quality of this evidence is important as it may be required for possible disciplinary or criminal proceedings. The investigating manager must be familiar with the University's disciplinary procedures to ensure that evidence requirements are met. Support and advice from the University Secretary's Office will be given as required.

6.6 *Recovery of losses*

It is the University's policy to seek the repayment of losses where a case of fraud has been proven.

7. Formal Reporting of Frauds

7.1 Contacting the Police

The decision to contact the police will be made by the University Secretary Chief Financial Officer, Executive Director of People and Deputy Vice-Chancellor in consultation with the Vice-Chancellor & CEO.

7.2 Notifying OFS

In some circumstances, suspected or actual fraud or irregularity is required to be reported to the OfS. The University Secretary shall be responsible for making any report required by the OfS guidance on reportable events, following discussion with the Vice-Chancellor and CEO and the Chair of the Governing Body.

7.3 Completion of the Investigation

On completion of the investigation a written report must be submitted to the Vice Chancellor & CEO and to the Audit and Risk Committee. The report should contain:

- A description of the incident including the value of any loss, the employees involved and the means of perpetuating the fraud;
- The measures taken to prevent a recurrence;
- Any action needed to strengthen future responses to fraud;

8. References for employees

All requests for references for employees who have been disciplined for fraud must be referred to the Executive Director of People. The Executive Director of People will respond to any such request having regard to Employment Law.

9. Monitoring & Review

This policy and related procedures will be reviewed as necessary (e.g. to reflect lessons learnt from fraud cases) and at least every three years by the Chief Financial Officer and University Secretary. Any changes shall be approved by the Audit and Risk Committee.

Appendix 1 – Counter Fraud Procedure Flowchart

Employee formally reports suspected fraud to the University Secretary



Meeting held with :

- University Secretary
- Chief Financial Officer
- Executive Director of People
- Another VCE member



The University Secretary, Chief Financial Officer, Executive Director of People and other VCE member decides whether an investigation to be carried out in consultation with the Vice-Chancellor & CEO and chair of ARC. They will decide upon

- Investigation by the Internal Auditors
- Investigation under the Counter Fraud Policy
- Independent investigation or referral to external body
- Investigation under an alternative University policy
- No further Action



Investigation reported to the Audit & Risk Committee

Appendix 2

Counter fraud-Actions- Do's and Don'ts of reporting concerns

Where there is suspicion that fraud or corruption has happened, or is about to occur, it is essential that the University Secretary or Chief Financial Officer (see section 5.2) is contacted immediately. A summary procedural flow chart is included in Appendix 1.

Do's	Don'ts
<ul style="list-style-type: none">• Report your concerns as per procedural flow chart• Persist if your concerns remain• Retain or copy any relevant documents	<ul style="list-style-type: none">• Do not be afraid to seek advice from your line manager if they are not implicated or their line manager• Do not confront an individual or individuals with your suspicions or discuss your concerns with colleagues• Do not contact the police directly- this decision is the responsibility of the appropriate person and other senior University officials.