

# PREVENTION OF FRAUD POLICY



This document sets out the University's policy governing the prevention and treatment of fraud.

<b>Version Letter</b>	1.1
<b>Executive Sponsor</b>	Chief Operating Officer
<b>Officer Responsible for Policy/ Procedures</b>	Director of Finance
<b>Consultation Process</b>	Policy Infrastructure Project Board Executive Engagement Group
<b>Date of Approval and Committee and/or Executive Officer</b>	Executive Operations Group Executive
<b>Effective Date</b>	18 June 2021

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# 1. SCOPE OF THE POLICY

The University is committed to the proper use of funds, both public and private. As a consequence, 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 aims to reduce instances of fraud to the absolute practical minimum - and to also put in place arrangements that hold any fraud to a minimum level on an ongoing basis. The University's approach to counter-fraud will be comprehensive, cost-effective and professional, using specialist expertise if, as and when required.

# 2. DEFINITIONS

The following terms apply to this Policy:

**Fraud** can be defined as (i) wrongful or criminal deception intended to result in financial or personal gain and (ii) a person or thing intended to deceive others, typically by unjustifiably claiming or being credited with accomplishments or qualities. Both definitions are, clearly, directly applicable to the Higher Education sector.

**Corruption** can be defined as dishonest or fraudulent conduct, typically involving bribery.

**Bribery** can be defined as the offering, giving, receiving or soliciting of any item of value (money, goods, favours or other forms of recompense) to influence the actions of an official or other person in charge of a public or legal duty.

# 3. COUNTER-FRAUD POLICY OBJECTIVES

Most organisations adopt a multi-faceted approach to fraud and the University is no exception. The eight key objectives of the University's counter-fraud policy are:

1. Establishment of a *counter-fraud culture*
2. Maximum *deterrence* of fraud
3. Active and successful *prevention* of any fraud that cannot be deterred
4. Rapid *detection* of any fraud that cannot be *prevented*
5. Professional *investigation* of any *detected* fraud
6. Effective internal and external *actions and sanctions* against people found to be committing fraud, including legal action for criminal offences
7. Effective *communication and learning* in relation to fraud, and
8. 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.

This Policy sets out the University's approach for dealing with suspected cases of fraud, including corruption, and includes summarised instructions about what to do, and who to contact/notify, should any fraud-related concerns arise.

At a practical level, fraud is deemed to be deliberate intent to deprive the University (and its associate activities) of money or goods through the falsification of any records or documents (e.g. submission of false invoices, inflated time records or travel claims and/or the use of purchase orders to obtain goods for personal use). This is an important distinction, intended

to clarify the crucial difference between deliberate fraud and unintentional error, removing - wherever possible - any potential confusion or ambiguity.

## **4. COUNTER-FRAUD POLICY**

The University is absolutely committed to the highest standards of honesty, accountability, probity and openness in its governance. As a direct consequence of this, the University is committed (i) to reducing fraud associated with any of its activities, operations and locations to the absolute practical minimum and (ii) to the robust investigation of any fraud issues that should arise. Any such investigation will be conducted without regard to factors such as position, title or length of service.

Where any acts of fraud or corruption are proven, the University will make every endeavour to ensure that the perpetrator(s) are dealt with to the full extent of the law and University disciplinary policy/contractual processes (where a third-party is involved), and will also take every step to recover any and all losses in full.

It is the responsibility of everyone associated with the University - including staff, students, employees, contractors and third parties - to report any fairly based suspicions of fraud or corruption. The University has a "no retaliation" policy for people reporting reasonably held suspicions, and concerns can be raised if necessary, under the Whistleblowing Policy.

This Policy applies to any fraud, or suspected fraud involving everyone, and anyone associated with the University - including staff, students, employees, contractors and third parties.

## **5. COMMON TYPES OF UNIVERSITY AND HIGHER EDUCATION FRAUD**

These can include, but are not limited to:

- Fraud involving cash, physical assets 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 and awards
- Accommodation-related fraud, including preference and payment.

## **6. RECOVERY OF LOSSES**

The University will seek repayment of losses where a case of fraud has been proven.

## **7. REPORTING**

### **7.1. Contacting the police**

The decision whether to contact the police will be made by the Chief Operating Officer (or their nominee).

## **7.2. Notifying the Office for Students (OfS)**

It is a requirement of the OfS terms and conditions of funding for higher education institutions that the accountable officer for the University (the Vice-Chancellor), in agreement with the governing body, or in urgent cases the Chair, must report material adverse events to the OfS at the time when they are identified. In view of the public interest, for incidents of suspected or actual fraud where the sums involved are greater than £25,000, the University will consider whether police involvement will be required.

The OfS terms and conditions of funding for higher education institutions gives the following examples:

- "significant fraud", theft or other cause where the value of the loss is in excess of £25,000
- a significant and immediate threat to the HEIs financial position
- impropriety or major accounting breakdown
- any merger with another institution or organisation
- any material change in its financial performance and position to its submitted forecasts
- the removal or resignation of external or internal auditors before the end of terms of their appointment.

The Chief Operating Officer on behalf of the Vice Chancellor shall inform the OfS of the fraud\irregularity.

## **7.3. Notifying the Audit and Risk Committee**

All incidents of fraud or irregularly (irrespective of whether this falls within the circumstance requiring a report to OfS) must be reported to the Audit and Risk Committee.

Any variation from this Policy, together with reasons for the variation, shall be reported promptly to the Chair of Audit and Risk Committee.

On completion of the investigation a written report must be submitted to the Vice Chancellor 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; and
- any action needed to strengthen future responses to fraud.



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