



LIVERPOOL  
HOPE  
UNIVERSITY

Est. 1844

# Anti-Fraud Policy

## Document Control

Responsibility for Policy:	Executive Director of Finance, Services and Resources
Approved by and date:	University Council, 6 <sup>th</sup> July 2021
Frequency of Review:	Every five years
Next Review date:	2026
Related Policies:	Anti-Bribery and Corruption Policy; Financial Regulations and supporting Financial Processes; Declaration of Interest and the guidance on Gifts and Hospitality; Information Security Policy (and supporting implementation guidance); Research Integrity – Statement of Principles; Whistle-blowing Policy; Staff Discipline and Student Code of Conduct Procedures for the admission of graduate and undergraduate students.
Minor Revisions:	
EIA:	

## **1. Policy**

- 1.1.** Liverpool Hope University is committed to conducting its activities fairly, honestly and openly, in accordance with relevant legislation, and to the highest standards of integrity. Further, the University believes that action against fraud is in the broader interests of society. The University has a zero tolerance approach to fraud and will take appropriate action to prevent fraud in respect of its activities. Fraud committed by University employees or student members acting on behalf of the University will be treated as a serious disciplinary offence.
- 1.2.** The objective of the Anti-Fraud Policy is to safeguard the proper use of the University's financial assets and resources so that they are protected against the threat of fraud. This document sets out the University's principles for prevention of fraud and procedures for dealing with suspected cases of fraud.

## **2. Definitions**

- 2.1. Fraud** can be defined as:

- wrongful or criminal deception intended to result in financial or personal gain; and
- a person or thing intended to deceive others, typically by unjustifiably claiming or being credited with accomplishments or qualities.

Under the Fraud Act 2006 there are three specific offences:

- fraud by false representation,
- fraud by failing to disclose information,
- fraud by abuse of position.

Attempted fraud is treated as seriously as accomplished fraud.

It is essential to distinguish between fraud and error. Fraud is a deliberate intent to mislead the University or deprive it of money, resources or assets rather than an unintentional error or mistake.

- 2.2.** Examples of fraud in a university setting includes, but is not limited to:

- 2.1.1.** Misappropriation of cash or physical assets. This would also include theft of good for private use, unauthorised use of University property (e.g. vehicles, computers, other equipment)
- 2.1.2.** Fraud involving confidential information and intellectual property
- 2.1.3.** Procurement and payment fraud. Purchasing or purchase ledger fraud (e.g. approving/paying for goods not received, approving/paying bogus suppliers, approving/paying inflated prices for goods and services).
- 2.1.4.** Payroll fraud. For example, accepting pay for time not worked (e.g. false claim for hours worked, failing to work full contracted hours by any member of staff, false overtime claims, or falsification of sickness self-certification)

- 2.1.5.** Fraudulent expense claims. Including travel and expense claims overstated or falsely claimed. This may include advances not recovered or forging of counter-signatories
- 2.1.6.** Reference and qualification fraud
- 2.1.7.** Immigration fraud
- 2.1.8.** Recruitment, appointment and employment fraud
- 2.1.9.** Bribery and corruption fraud
- 2.1.10.** Academic fraud including admissions, examinations, awards and research
- 2.1.11.** Computer fraud (e.g. altering or substituting records, duplicating or creating spurious records, or destroying or suppressing records), where IT equipment has been used to manipulate program of data dishonestly, or where the use of an IT system was a material factor in the preparation of the fraud.

### **3. Scope and Responsibility**

- 3.1.** The procedures set out in this Policy apply to all members of staff employed by the University, members of University Council, temporary members of staff, agents, volunteers, intermediaries, contractors and students.
- 3.2.** The University's Audit Committee has overall responsibility for this Policy and for reviewing the effectiveness of actions taken in response to concerns raised under this Policy. This Policy has been approved by the University's Senior Executive Team.
- 3.3.** The Executive Director of Finance, Services and Resources has day-to-day operational responsibility for this Policy.
- 3.4.** Heads of Schools/Departments, Directors and Heads of service areas are responsible for ensuring that staff within their Schools, departments or sections (as appropriate), affected students, and other associated persons are made aware of common types of fraud prevalent in their area, this Policy and associated explanatory guidance.
- 3.5.** All staff have a general responsibility to protect the University's assets and to be aware of fraud and to take the necessary steps to minimise the risk to the University.
- 3.6.** The risk of fraud should be assessed as part of the wider risk assessment and management performed by Heads of Schools and managers of service areas.
- 3.7.** The University expects third parties acting for or providing services to the University not to commit fraud and will take appropriate measures and action should it discover that third parties are engaging in fraud. Third parties are advised, therefore, to make themselves fully aware of the provisions of this Policy and, in particular, the standards relating to fraud. Where appropriate, the University will include contractual obligations in respect of adherence to this Policy in its agreements with third parties.

#### **4. Standards**

- 4.1.** Members of staff employed by the University, members of University Council, temporary members of staff, agents, volunteers, intermediaries, contractors and students to whom this Policy applies are expected to act at all times in a manner that is fair, honest and open and are expected to abide by the following standards:
- 4.1.1.** To not commit any form of fraud;
  - 4.1.2.** Follow the internal controls, rules and regulations in order to prevent fraud (see Section 5 – Prevention below);
  - 4.1.3.** Ensure that the Financial Regulations and other relevant guidance is followed at all times, in order to reduce the risk of fraud; and
  - 4.1.4.** Report any suspicion of fraud or irregularity immediately through the channels defined by this Policy.

#### **5. Prevention**

- 5.1.** The University has established a framework of day-to-day financial and management internal controls to deter and prevent fraud and limit its impact that includes:-
- 5.1.1.** Financial Regulations;
  - 5.1.2.** Recruitment and Selection Policy;
  - 5.1.3.** Procurement Policy and procedures including tendering procedures and the use of approved suppliers;
  - 5.1.4.** Maintaining a register of interests;
  - 5.1.5.** Procedures for preventing student finance fraud;
  - 5.1.6.** The establishment of an Audit Committee of University Council with responsibility to keep under review the effectiveness of the risk management, control and governance arrangements;
  - 5.1.7.** Internal audit; and
  - 5.1.8.** External audit.

#### **6. Procedures for dealing with suspected instances of fraud**

##### Reporting

- 6.1.** Individuals who reasonably suspect the occurrence of fraud in the context of the University's activities should report their concerns as soon as possible to the Head of Legal Services Governance and Risk who will decide on the procedure to be adopted and determine whether there is a case to answer. If the Head of Legal Services, Governance and Risk is implicated in the notification then the disclosure should be made to the Vice-Chancellor. Where the disclosure involves both the Vice-Chancellor and the Head of Legal Services, Governance and Risk the disclosure should be made to the Chair of the University's Audit Committee.

- 6.2. The University's Whistleblowing Policy permits employees and anyone contractually associated with the University to raise concerns about possible fraud (as well as other forms of malpractice) in the University without the risk of being dismissed or penalised.
- 6.3. Any abuse of process by making malicious allegations will be regarded as a disciplinary issue.

#### Initial Steps/Preliminary Investigation

- 6.4. When a disclosure is made, the Head of Legal Services, Governance & Risk (the 'Designated Person') will normally consider the information and decide whether there is a *prima facie* case to answer. They will decide whether:

  - 6.4.1. an internal investigation is required and if applicable under what policy;
  - 6.4.2. the matter should be referred to Internal Auditors;
  - 6.4.3. the matter should be subject to independent enquiry;
  - 6.4.4. the individual or individuals should be recommended for suspension;
  - 6.4.5. the matter should be referred to the OfS or Charity Commission; and/or
  - 6.4.6. the matter should be referred to the Police (where there is evidence of a criminal offence).
- 6.5. If the Head of Legal Services, Governance & Risk decides that there is no case to answer, the decision will be explained as fully as possible to the individual who raised the concern.
- 6.6. The Head of Legal Services, Governance & Risk may call upon the advice of any other person with specialist knowledge that may be relevant to the particular case under consideration. The Head of Legal Services, Governance & Risk will inform the Vice-Chancellor at an early stage.

#### Formal Investigation

- 6.7. Where an investigation is deemed necessary, it will be conducted sensitively and promptly. The Head of Legal Services, Governance & Risk may appoint an Investigator. The investigation process shall follow the Staff Discipline process or the Student Code of Conduct. The Investigator will report their findings to Head of Legal Services, Governance & Risk and the Director of Personnel, who will then work with the Investigator and the Vice Chancellor to decide what steps, if any, should be taken.
- 6.8. The Head of Legal Service, Governance and Risk shall ensure that the following is considered during any investigation

  - 6.8.1. minimising further loss;
  - 6.8.2. complying with any requirements of the University's insurance cover;
  - 6.8.3. establishing and securing evidence necessary for criminal and disciplinary action; and
  - 6.8.4. recovering losses.
- 6.9. The Head of Legal Services, Governance and Risk will:

- 6.9.1.** maintain familiarity with the University's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation;
- 6.9.2.** establish and maintain contact with the Police or other government enforcement agency; and
- 6.9.3.** ensure that staff involved in investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

## **7. Student involvement**

- 7.1.** In cases which involve or may involve students, the Pro Vice Chancellor Student Life & Learning will be informed at the outset of the investigation. If a student is the subject of an allegation of fraud, this will be dealt with under the disciplinary procedures applicable to students.

## **8. Staff involvement and suspension**

- 8.1.** Any member of staff suspected of fraud may be suspended pending a full investigation. The decision to suspend is made by the Vice-Chancellor. The suspension of a member of staff does not constitute a finding of misconduct against him or her. Any staff suspended as a result of a suspected fraud will be informed of the reason for the suspension.
- 8.2.** Individuals suspended for suspected fraud, and individuals suspended to enable a proper investigation to be carried out, will normally be required to leave University premises immediately and will be denied access to the University's IT facilities. During the period of any suspension they will not be permitted to return to the premises, to make contact with staff or witnesses, or to act on behalf of the University, unless given express permission to do so by the Director of Personnel. Any infringement of this requirement may be treated as a disciplinary offence.

## **9. Notifying the OfS and the Charity Commission**

- 9.1.** The circumstances in which the University must inform the OfS about actual or suspected frauds are set out in the OfS Terms and Conditions of funding for higher education providers. These are circumstances where there is serious weakness, significant fraud or major accounting breakdown.
- 9.2.** A serious weakness includes one that has resulted in an attempted, suspected, or actual significant fraud or irregularity. Significant fraud is usually where one or more of the following apply:
  - 9.2.1.** The sums of money involved are, or potentially are, in excess of £25,000.
  - 9.2.2.** The particulars of the fraud are novel, unusual or complex.

**9.2.3.** There is likely to be public interest because of the nature of the fraud or the people involved.

- 9.3.** The Vice-Chancellor is responsible for informing the OfS and the Charity Commission of any such incidents. The Clerk to University Council will inform the OfS and Charity Commission in any case involving the Vice-Chancellor.
- 9.4.** In all cases where the OfS and Charity Commission is informed of any fraud, the internal auditors will receive notification at the same time.

## **10. Police involvement**

- 10.1.** In all cases where the Police are involved, the University reserves the right, where it would be reasonable to do so, to proceed with its own disciplinary procedures and/or with civil proceedings.

## **11. Reporting the Outcome Internally**

- 11.1.** The results of any formal investigation (under section 6.7) will be reported to Audit Committee and the Chair of University Council.

- 11.2.** For the purposes of section 11.1, the final report will contain:

- a description of the allegations and the steps taken to investigate them;
- the people involved;
- a conclusion as to whether the allegations made had substance and if so the extent of any loss and any other adverse impact on the University;
- a description of any steps taken in relation to the individual or individuals concerned together with recommendations as to any disciplinary action;
- the steps taken to mitigate any losses to the University;
- the measures taken to minimise the risk of a recurrence; and
- any action needed to strengthen future responses to fraud, which may include provision for a follow up report within a specified time frame.

- 11.3.** The individual making the disclosure will be informed of what action is to be taken where possible although the need for confidentiality means it may not be possible to share some of the details including, for example, specific information about any disciplinary action taken against a member of staff or student. The feedback to the individual making the disclosure will take account of data protection requirements and may be limited to a statement that action is being taken.

- 11.4.** Individuals (i.e. Council members and staff) should treat any information about the disclosure, the investigation or its outcome as confidential.

## **12. Insurance**

- 12.1.** In the case of insured claims, the Head of Legal Services, Governance and Risk will ensure that any requirements of the insurance cover are observed.

### **13. Recovery of losses**

**13.1.** The University will endeavour to quantify the amount of any loss and may seek civil action to recover outstanding losses in those cases where there is a reasonable prospect of success. In cases of substantial loss, consideration may also be given to an application for an order to freeze the suspect's assets pending completion of the investigation.

### **14. References for employees or students disciplined or prosecuted for fraud**

- 14.1.** All requests for references for members of staff known to have been disciplined or dismissed for fraud must be referred to the Personnel Department for advice as to how to respond. In no circumstances must any person provide a reference for a member of staff whom they know to have been dismissed for fraud without first consulting the Personnel Department.
- 14.2.** References for student members who have been the subject of disciplinary sanction for fraud must be referred to the Pro Vice Chancellor Student Life & Learning.