

NTU POLICY

Title:	COUNTER-FRAUD POLICY
Approved by:	AUDIT AND RISK MANAGEMENT COMMITTEE
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1. **INTRODUCTION**

The University is committed to the proper use of funds, both public and private and abides by the Seven Principles of Public Life from the report of the Committee for Standards in Public Life (“Nolan Principles”) as set out in Appendix 1. 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 required.

2. **PREAMBLE - DEFINITIONS**

2.1 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.

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

2.3 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

3.1 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.

3.2 This document sets out the University's policy and procedures 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.

3.3 At a practical level, fraud is deemed to be a deliberate intent to deprive the University (and its associated 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). It can also cover situations where there may be a failure to disclose or a false representation and/or where there is an abuse of position or a perception of the same.

4. COUNTER-FRAUD POLICY

4.1 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 risk associated with any of its activities, operations and locations; 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.

4.2 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 policy of ensuring that there will be no repercussions for people reporting reasonably-held suspicions, and concerns can be raised if necessary under the University's Whistle-blowing policy, details of which can be found under Section 8, covering associated policies, below.

4.3 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;
- Failure to disclose or false representation; ;
- Fraud by abuse of position;
- Academic fraud including immigration, admissions, internships, examinations and awards; and
- Accommodation-related fraud, including preference and payment.

6. PROCEDURE TO REPORT A FRAUD OR SUSPICION OF FRAUD OR CORRUPTION

- 6.1** Where there is suspicion that fraud or corruption has occurred, or is about to occur, then it is essential that either the Director of Finance or the Head of Governance and Legal Services/Clerk to the Board (hereinafter referred to as an "Appropriate Person") is informed immediately. All reports will be treated confidentially.
- 6.2** 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. The implementation of the Fraud Response Plan is triggered by the senior manager who receives notification of the suspected/actual fraud.
- 6.3** In certain circumstances a person who suspects that a fraudulent act has taken place may feel that it is not appropriate to report the matter through any of the internal channels specified in this policy. In such cases the matter may be reported directly to the Chair of the University's Audit and Risk Management Committee who would need to be satisfied that valid reasons existed for bypassing the internal reporting process. Any such communications should be marked "confidential" and addressed to the Chair of the Audit and Risk Management Committee c/o the University's Governance Services Office. Governance Services will promptly forward the item, unopened, to the Chair of the Audit and Risk Management Committee.
- 6.4** You are advised to retain or copy any relevant document(s). This holds documents for use in any subsequent investigation and avoids any documents being destroyed.
- 6.5** You are advised not to discuss your concerns with colleagues or anyone else other than an Appropriate Person and not to contact the police directly - that decision is the responsibility of the Appropriate Person and other senior University officers.
- 6.6** The University has a policy of ensuring that there will be no repercussions for people reporting reasonably held concerns and suspicions, and any action against such people - including victimisation and deterring/preventing reporting - will be referred to the University's disciplinary processes. Equally, however, abuse of the process by reporting malicious allegations will also be regarded as a disciplinary issue.

7. FRAUD WITH ACADEMIC IMPLICATIONS

- 7.1** Fraud can often be associated with direct financial gain, such as procurement and invoicing fraud. However, in the University/Higher Education sector, academic fraud is a further possibility, including fraud related to immigration, admissions, internships, examinations and awards.
- 7.2** Such a fraudulent activity could be very high-profile, with potentially significant consequences for the University. In such cases, it is again essential that an appropriate person is contacted at the earliest opportunity, together with other senior University officer(s), as deemed appropriate.

Such a fraud may involve a number of stakeholders, including the police and professional bodies, but decisions regarding their involvement - generally - remain the purview of senior University officers. To ensure that the investigation is not compromised, however, it is vital that the number of people aware of the investigation is kept to an absolute minimum. Notwithstanding, it should be recognised that some frauds of this nature will involve the police initiating their own investigation.

8. RESPONSIBILITIES

The Audit and Risk Management Committee is responsible for approving policy with regard to fraud and receiving reports on any fraudulent activity and the actions taken to prevent reoccurrence

In the event of any material adverse change in an institution's circumstances- such as a significant and immediate threat to the HEI's financial position, significant fraud or major accounting breakdown - the Accountable Officer must inform, without delay, all of the following: the Chair of the Audit and Risk Management Committee, the Chair of the Board of Governors, the Head of Internal Audit, the External Auditor and the Office for Students.

The Director of Finance 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.

The Head of Internal Audit is responsible for conducting or commissioning investigations of allegations of fraud and providing reports on fraud to the Audit and Risk Management Committee.

9. OTHER RELEVANT POLICIES, REGULATIONS AND GUIDANCE

The University has a range of policy documents and guidance which offers advice and sets out the regulations pertaining to a number of areas some of which may impact on this Counter Fraud policy. These are:

- Financial regulations;
- Purchasing policy;
- Travel and expenses policy;
- IT security policy;
- Whistle blowing policy;
- Anti-bribery policy;
- Conflicts of Interest Policy; and
- Staff disciplinary procedures.

10. DOCUMENT GOVERNANCE

10.1 Responsibility

Policy Owner	Audit and Risk Management Committee
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10.2 Version Control and Change History

Version	Approval Date	Approved by	Amendment
1.0	10 May 1999	Board of Governors	New policy
1.1	2 March 2009	Board of Governors	Procedural update
1.2	14 November 2011	Board of Governors	Reference to Bribery Act
1.3	18 November 2013	Board of Governors	Operational update
1.4	3 October 2016	Audit and Risk Management committee	Operational update
1.5	3 November 2020	Audit and Risk Management Committee	Operational Update

APPENDIX 1

The Seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report)

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example