

Counter Fraud Policy

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| Scope | This Policy sets out the University’s position regarding the prevention, detection, reporting, investigation and, where appropriate, action in respect of fraud. |
| Approval | Audit Committee |
| Date of Review | March 2026 |
| Amendments from Review | Updates in light of the coming into force of the Economic Crime and Corporate Transparency Act (ECCT) 2023. |
| Date for next Review | +2 years from date of approval or review – March 2028 |
| Sensitivity | Open to public – published on website |
| Author/Owner | University Secretary* |
| Key Contacts | University Secretary* PVC Finance & Resources |
| Version Control – log of reviews/edits | Version 1.3 |
| External Regulator | Office for Students – Terms and Conditions of Funding |
| Links to other internal policies and procedures are available via the Register of Policies and Procedures | Other relevant policies and procedures include <ul style="list-style-type: none"> - Whistleblowing Policy and Procedures; - Gifts, Hospitality & Bribery Prevention Policy; and - Staff Disciplinary Policy. |
| Appendices | <ul style="list-style-type: none"> - Fraud Response Plan (Appendix 1) - Guidance for individuals suspecting an instance of fraud (Appendix 2) |

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| Documents superseded by this Policy | - Policy and Procedures for the Prevention and Investigation of Fraud (2016) |
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* Or in the absence of the University Secretary, the Vice Chancellor, unless the matter concerns the Vice Chancellor directly or in a significant indirect way, in which case the Chair of the Board of Governors or Clerk to the Board of Governors.

1. Introduction

- 1.1 It is the University of Worcester's (the 'University') policy and practice to conduct its business in an honest and ethical manner. The University takes a robust approach to the prevention of fraud and is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships throughout the world. We expect all members of the University community, including those employed by the University's subsidiary companies, to uphold high standards, leading by example, with integrity and responsibility.
- 1.2 The University and its senior leadership are committed to fostering an anti-fraud culture and having robust systems in place to prevent fraud.
- 1.3 The aims of this Counter Fraud Policy (the 'Policy') are to:
 - a) continue to promote a culture of honesty, integrity, ethical business practice and professionalism and prevent fraud in the University's operations;
 - b) set out the principles of the University's anti-fraud framework and the University's responsibilities and expectations of those working for us, or on our behalf, in observing and upholding our position on countering fraud; and
 - c) provide information and guidance to members of the University community on our anti-fraud procedures and how to recognise and address fraud within the context of the University, and how to make a report should fraud be suspected.

2. Application of this Policy

- 2.1 The Policy applies to any fraud (actual or suspected), involving employees as well as consultants, suppliers, contractors and/or any other parties with whom the University has a relationship. Any investigative activity required to be taken by the University to counter fraud will be conducted fairly and without regard to any individual's relationship to the University or its subsidiary companies, position or length of service.
- 2.2 The Policy applies to all individuals working at all levels and grades within the University and any of its subsidiaries (unless explicit alternative arrangements apply), including all academic staff, professional staff, heads of department, members of the senior management team, other employees (whether permanent, fixed term or temporary), student employees, governors, consultants, contractors, trainees, seconded staff, casual associated staff and agency staff, volunteers, interns or any other persons acting on behalf of or performing services for the University, including agents or third party representatives.

3. Definition of Fraud

3.1 The term 'fraud' is commonly used to describe the use of deception and dishonesty to deprive, disadvantage or cause loss to another person or party, or to obtain financial or other gain for oneself or another. In the University setting, the risk of fraud may arise in various ways due to the complexity of higher education operations and funding. 'Fraud' can also include the misuse of funds or other resources, or more complicated crimes such as false accounting and the supply of false information.

3.2 Examples of actions that are likely to be deemed fraudulent or an unethical business practice and are relevant in the University's context include (but are not limited to):

- student financial aid fraud (i.e. illegitimate students claiming funding where there is no intention to study);
- third-party partner misconduct (such as fraud committed by agents recruiting international students or managing partnerships);
- abuse of a position (abusing authority and misusing University resources or information for personal gain or causing loss to the University);
- attempting to make payments from the University with a stolen or unauthorised credit/debit card;
- destruction or removal of records without appropriate authority;
- fraud involving confidential information;
- falsifying documents such as expense claims or timesheets;
- forgery or alteration of any document e.g. a cheque or contract;
- giving or receiving bribes;
- inappropriate relationships with third parties causing conflicts of interest and financial loss or gain to the University;
- misrepresentation of academic results or other qualifications;
- admission to University courses without meeting the appropriate entry requirements;
- payroll fraud;
- immigration fraud;
- misusing time during working hours e.g. taking unauthorised absence or falsely claiming to be sick; and/or
- the unauthorised and illegal use of University assets.

3.3 The Fraud Act 2006 establishes general criminal offences which include (but are not limited to): fraud by false representation, fraud by failing to disclose information, and fraud by abuse of position.

3.4 A new corporate criminal offence of failure to prevent fraud was created as part of the Economic Crime and Corporate Transparency Act 2023 (the “ECCTA”). The new offence means that the University will be liable for fraud committed by an “Associated Person” of the University, which means an employee, agent, subsidiary or person who performs services for or on behalf of the University where the fraud was committed with the intention of benefiting the University. Please see examples of persons who are likely to fall within the definition of Associated Persons for the purposes of the ECCTA below.

“Associated Persons” of the University will include but may not be limited to:

- University employees
- University agents
- University subsidiaries
- Partner Colleges
- Recruitment agents
- Student support services providers
- Placement providers
- Other sub-contractors or persons providing services for or on behalf of the University, such as payroll, catering and accommodation providers (as examples).

3.5 The University has established procedures to encourage staff to report actual, attempted or suspected fraud and/or other forms of illegal activity without fear of reprisal. The Fraud Response Plan in Appendix 1 clarifies the process to be followed and the Guidance in Appendix 2 provides information about how individuals should report their suspicions.

4. Counter Fraud Policy Statement

4.1 The University is committed to upholding high standards and leading by example with integrity and responsibility.

4.2 The University values its reputation for ethical behaviour, financial probity and reliability and has a zero-tolerance policy towards fraud, bribery and corruption.

4.3 The University expressly prohibits any form of fraud within its operations and activities. No individual may engage in any form of fraud in relation to any activity performed within the University, performed for the University, or carried out on behalf of the University.

4.4 The University has put in place procedures for preventing, reporting and investigating suspected fraud, bribery and corruption and has taken steps to limit the risk of financial loss and/or reputation impact through:

- a) setting out a clear Counter Fraud Policy (this Policy);
- b) setting out a clear Gifts, Hospitality and Bribery Prevention Policy;
- c) setting out a clear Whistleblowing Policy;
- d) encouraging employees to be vigilant and to report any suspicion of fraud, and providing suitable channels of communication to ensure sensitive information is treated appropriately;
- e) rigorously investigating all reports of fraud and where appropriate involving relevant authorities;
- f) taking firm and vigorous action against any individual(s) found to be involved in fraud;
- g) monitoring the effectiveness of such controls, policies and procedures including senior management review of this Policy and its implementation;
- h) informing staff about this Policy and our fraud prevention procedures (including the University's Whistleblowing Policy) and those providing services for and on behalf of the University where deemed appropriate by the University to address specific fraud risks;
- i) assessing the nature and extent of the risk of fraud; and
- j) having in place rigorous financial safeguards, including specific auditing and additional scrutiny of business transactions reasonably deemed to be higher risk in terms of fraud, bribery and corruption.

4.5 Every member of the University community has a duty to ensure that University resources are safeguarded. Anyone having reasonable suspicions of fraud or irregularity should report it. It is the University's policy that no detrimental action of any kind will be taken against a person who reports a concern of fraud, in good faith. Further information on reporting is set out in the Fraud Response Plan in Appendix 1 and the Guidance in Appendix 2.

4.6 Any allegation that a member of staff has acted in a manner that is illegal or inconsistent with this Policy will be treated seriously, and in accordance with the Staff Disciplinary Policy, regardless of the seniority of those involved.

4.7 It is the University's policy that all alleged fraud will be thoroughly investigated in line with the University's Fraud Response Plan, with the aim of achieving the following objectives:

- deterring all members of the University community, as well as persons outside the University acting on the University's behalf or providing services to the University, from committing fraud;
- investigating any instances of suspected fraud in a fair and efficient manner;
- applying appropriate sanctions to any member of staff who has engaged in fraud or who knowingly withholds information in relation to such matters under the relevant Disciplinary Policy;
- where appropriate, involving the relevant legal authorities in regard to allegations of fraud or irregularity;
- the recovery of all losses incurred; and
- the completion of appropriate action to prevent a recurrence.

5. Responsibility for and Review of the Policy

5.1 Responsibility for this Policy rests with the University Secretary*.

5.2 This Policy will be reviewed every two years, in line with University practice or after an identified instance of fraud, bribery or corruption and any need for change will be transmitted to the Audit Committee for approval.

6. Communication and Training

6.1 The University recognises that the risk of fraud arises in various contexts and will seek to advise and inform its staff appropriately to assess the risk of fraud in the different areas of operation of the University. All Staff will be made aware of the need to take appropriate steps to assure fraud prevention, the areas of increased risks and what action to take if they have concerns relating to potentially fraudulent behaviour or activity.

6.2 Staff and Associated Persons will be made aware of this Policy and the University's Whistleblowing Policy and encouraged to make reports of any concerning activity. Please see the Guidance for Individuals suspecting an instance of fraud at the end of this Policy for more information.

6.3 The information provided to staff will be reviewed by the University Secretary to ensure that it reflects any changes to the legal situation and in light of the fraud risks to the

University. The information will be made available to all staff annually and made available on the public webpages.

6.4 Some staff will be offered training relevant to their specific job roles.

7. Risk Assessment

7.1 The University is committed to assessing risks and the nature and extent of its exposure to potential fraud on behalf of its staff and Associated Persons.

7.2 The University will conduct regular fraud risk assessments and document and review risks at least once every two years, or earlier if deemed required. The University will assess risks associated with the engagement of Associated Persons providing a particular service for or on behalf of the University, or staff in specific sensitive roles.

8. Due Diligence

8.1 The University will conduct due diligence procedures in relation to new staff and Associated Persons, through appropriate recruitment, vetting and screening processes.

8.2 Senior managers and other staff are encouraged to monitor staff wellbeing to identify risk factors which may make an individual susceptible to engage in fraudulent activity, for example due to stress, heavy targets or workload. Appropriate support should be put in place in such circumstance.

8.3 The University's contracts with Associated Persons providing services for the University will include appropriate obligations requiring compliance with UK law and this Policy and include the ability for the University to terminate the contract where a breach occurs. Updates to contractual clauses for Associated Persons will be considered following monitoring and review of anti-fraud robustness, and to reflect any developments in the anti-fraud legislation or sector. The University's contracts and the performance of the contracts will be monitored and reviewed by Head of Procurement for external suppliers and HR for Associated Persons as appropriate to ensure appropriate oversight of the services being performed for and on behalf of the University.



Fraud Response Plan

1. Purpose

The purpose of the Fraud Response Plan is to make clear how to report suspected fraud and define the responsibilities for action in the event such a report is made. This will enable the University to:

- a. prevent fraud by staff and Associated Persons;
- b. respond quickly, fairly and professionally to any suspicion or suggestion of fraud;
- c. assign responsibility for the initial and subsequent investigation of suspected fraud;
- d. establish and secure evidence;
- e. notify the Office for Students (OfS) if required under the Reportable Events requirement;
- f. notify the University's insurers if required;
- g. minimise and recover losses where possible;
- h. establish an internal and external communications strategy and process as required;
- i. establish the need (or otherwise) to notify the appropriate authorities and/ or seek external specialist involvement; and
- j. conduct investigations in a systematic manner, including the identification of actions to be taken to prevent any recurrence of the fraud.

2. Initiating Action and Reporting Fraud

- 2.1 Suspicion of fraud may be captured through a number of means, including:
- a direct report of suspected fraud under this Policy; or
 - as a result of:
 - the use of the Whistleblowing Policy and Procedure;
 - the completion of planned audit work; and/ or
 - the operation of risk management and control procedures.
- 2.2 All actual or suspected incidents of fraud should be reported without delay to the University Secretary.
- 2.3 All frauds which meet the OfS threshold for a 'Reportable Event' will be reported in a timely and appropriate manner. All correspondence with the OfS will be co-ordinated by the University Secretary.
- 2.4 The University Secretary will usually delegate the responsibility for investigating allegations of fraud to the Pro Vice Chancellor Finance and Resources. If it is suspected that Pro Vice Chancellor Finance and Resources is involved in the irregularity, the matter should be notified to the Vice Chancellor directly. If it is suspected that the Vice Chancellor is involved in the irregularity, the matter should be notified to the Chair of the Board directly. In such circumstances, the steps of the response plan as detailed below will be adjusted accordingly.
- 2.5 The Pro Vice Chancellor Finance and Resources (with due reference to other parties as considered appropriate) will determine the scope of the investigation and appoint an investigating officer. All alleged frauds must be investigated, as an apparently minor fraud may conceal a much larger scale of losses.
- 2.6 Where the suspicion relates to a member of staff, the investigation will be conducted in accordance with the staff disciplinary procedures.
- 2.7 At the conclusion of the investigation, a report will be submitted to the Vice Chancellor.
- 2.8 In the event of actual or suspected fraud above the OfS significant fraud threshold, and/or when the case involves members of the University's senior leadership team, the Pro Vice Chancellor Finance and Resources will normally appoint the University's internal auditors to conduct the investigation, reporting to the Audit Committee and Vice Chancellor.

- 2.9 Reports submitted as part of the investigation process should include (as far as is possible) a description of the incident or alleged irregularity, evidence which supports the allegations, the identity of the individuals involved and the potential impacts (i.e. monetary values involved and other impacts such as reputational damage).
- 2.10 Where the incident concerns a member of staff, the investigation will be conducted in accordance with the University's Staff Disciplinary Policy. The format of the report submitted will be in line with the Staff Disciplinary Policy and associated processes, and will include, as far as possible, the areas outlined in 2.9.
- 2.11 If the University Secretary should be suspected of fraud or any irregularity, the matter should be reported, without delay, to the Vice Chancellor, who would then be responsible for determining the level at which the incident should be investigated.
- 2.12 In the event that any actual or suspected act of fraud exceeds the OfS significant fraud threshold, or where the internal auditors are appointed as investigators, the Vice Chancellor, the Chair of Audit Committee and the Chair of the Board of Governors should be notified without delay. Suspected or actual cases of fraud below the OfS significant fraud threshold would be reported to the next meeting of the Audit Committee, as deemed appropriate by the University Secretary.
- 2.13 Decisions about when to involve the Police may occur at any time during the process. The decision about involving the Police should normally be made before the commencement of a formal University disciplinary investigation. If the allegations are passed to the Police and they take on a criminal investigation, it is normal that the University would be required to not investigate them until the Police's investigation has been completed.

3. Prevention of further loss

- 3.1 Where an initial investigation provides reasonable grounds for suspecting staff or an Associated Person of fraud, the panel will decide how best to prevent further loss. If the suspect is a member of staff, they may be suspended on full pay (this will be dealt with under the Staff Disciplinary Policy). It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.
- 3.2 Any individual suspected of fraud should be supervised at all times before leaving University premises and should be allowed to collect personal property under

supervision but should not be able to remove any property belonging to the University (as applicable). Any security passes and keys to premises, offices and furniture should be returned to the University. Laptop computers and associated hardware/software must also be returned to the University.

- 3.3 The Assistant Director Security & Operations should be required to advise on the best means of denying access to University buildings, whilst the suspect(s) remains suspended (for example removing access for staff cards). Similarly the Pro Vice Chancellor Digital Transformation should be instructed to withdraw, without delay, access permissions to University computer systems.
- 3.4 The panel shall consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate University assets.
- 3.5 If the suspected fraud involves an Associated Person, the relevant contract between the Associated Person and the University should be reviewed to see if any action can be taken under the contract to prevent or recover further losses, such as terminating the contract or enforcing its terms.

4. Establishing and securing evidence

- 4.1 The major objective in any fraud investigation will be to establish the facts of the case and then decide on appropriate actions, which may include disciplinary action. The relevant Disciplinary Policy will be followed in relation to any member of staff who has committed fraud and the University will normally pursue the prosecution of any such individual and/ or any other appropriate legal action.
- 4.2 The Investigating Officer/Internal Auditor will:
 - maintain familiarity with the University's disciplinary policies to ensure that evidence requirements will be met during any fraud investigation; and
 - establish and maintain contact with the police and/ or other appropriate authorities (only following approach to do so from the University Secretary, who may take this role themselves);

5. Recovering of losses

- 5.1 Recovering losses is a key objective in the University's internal fraud investigations. The Investigating Officer/Internal Auditor shall ensure that in all fraud investigations, the

amount of any loss will be quantified where possible, and repayment of losses should be sought in all cases.

- 5.2 Where the loss is substantial, legal advice shall be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice shall also be obtained about prospects of recovering losses through the civil court, where the alleged perpetrator refuses repayment.

6. Reporting of an investigation

- 6.1 As mentioned in 2.12, where an investigation as set out in 2.12 commences, the Vice Chancellor and the Chairs of both the Board of Governors and the Audit Committee should be notified without delay. Regular update reports will be provided for on-going cases. Any variation from the approved Fraud Response Plan, together with reasons for the variation, shall be reported promptly to the chairs of both the Board of Governors and the Audit Committee.
- 6.2 A final report on a fraud incident will be produced by the panel, or for staff related cases the investigating officer, once the investigation is completed, and it will represent the definitive document on which the University (in a disciplinary situation) and possibly the police (in a criminal situation) will base its decision. The report shall be submitted to the Audit Committee containing:
- a description of the incident;
 - the value of any loss;
 - the people involved, paying due regard to the individual(s) data protection rights;
 - a brief description of how the fraud occurred;
 - measures taken to prevent a recurrence; and
 - any action needed to strengthen future responses to fraud.

The Audit Committee may request a follow-up report be provided regarding the implementation of any actions required.

7. Investigations led by the internal auditors

- 7.1 Where an investigation is led by the Internal Auditors and not by the University's management, the University's management should co-operate with requests for assistance from the Internal Auditors.

7.2 Such investigations may require the use of technical expertise which the Internal Auditors do not possess. In these circumstances the University Secretary or Vice Chancellor may approve the appointment of external specialists to contribute to the special investigation.

8. Protection of those who raise concerns

8.1 Confidentiality – every effort should be made to protect a person’s identify when they have raised a concern and do not want their name revealed. However, in some cases, the investigation process itself may reveal the source of the information. The individual raising the concern may be required to make a statement either as part of the investigation process, or to provide evidence for any disciplinary hearing or criminal prosecution.

8.2 Harassment or bullying – an individual raising concerns may be worried about suffering harassment or bullying from those suspected of carrying out the fraud or corruption. The University does not tolerate harassment or bullying and the University’s disciplinary procedures and policy on harassment and bullying support this. Action will be taken to protect those who raise a concern in good faith.

8.3 Anonymous allegations – individuals are encouraged to come forward to discuss their concerns directly (as set out in Appendix 2). Concerns raised anonymously may be more difficult to investigate but, depending on the seriousness of the issues raised and the amount of information provided, consideration will be given to investigating the concern further. However, unless the allegation can be confirmed from other sources, the University may not be able to undertake a full investigation.

8.4 Untrue allegations – if a concern is raised in good faith by a member of staff or student but found not to be correct by subsequent investigation, no action will be taken against the individual who raised the original concern. However, if a member of staff or student makes an allegation that they know to be untrue and was made in bad faith, the University may consider taking further action against that individual.

9. References for staff disciplined or prosecuted for fraud

9.1 All requests for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to the Director of HR. The Director of HR shall provide a factual reference that is fair and accurate.

Guidance for Individuals suspecting an instance of fraud

What to do if you suspect an instance of fraud?

The University wishes to encourage anyone having reasonable suspicions of fraud (as defined in section 3 of the Policy) to report them to the University. No detrimental action of any kind will be taken against a person who raises a concern under this Policy, in good faith. There are three main ways in which such a complaint can be made:

1. An individual should notify the [University Secretary](#) about any matter which involves, or is thought to involve, suspected fraud, bribery or corruption.
2. Alternatively staff can make use of the Whistleblowing Policy.
3. Thirdly, an individual may choose to raise the matter with their line manager or member of the University Executive if the report is not about such person. This person will then notify the [University Secretary](#).

Do's and Don'ts:

- If possible, write down your concerns immediately – make a note of all relevant details e.g. what was said in telephone or other conversations, the date, the time and the names of those involved.
- Try to ensure that your suspicions are supported by facts, as far as is possible at this stage.
- Do report your suspicions without delay; reports will be treated as confidential. Aside from reporting the matter, you should keep the matter confidential until specifically directed otherwise.
- Don't approach the person/persons potentially involved (this may lead to conflict and evidence being destroyed).
- Don't discuss your suspicions or case facts with anyone other than your line manager or member of the University Executive(as above) or the University Secretary unless specifically asked to do so by them.

Things to remember:

- The investigation may determine that you were mistaken or there is a good explanation for the issues that you raised.

- The investigation process may be quite lengthy and you may not hear further details once your involvement in any investigation has been completed.
- Any investigation should be treated as confidential and you should not discuss any contribution you make with colleagues. It is normal for people to be unsettled during this type of situation and if you need support you should speak to your line manager or HR Business Partner.

Guidance for managers on receiving a report of fraud:

- Listen to the concerns of your staff and treat every report you receive seriously and sensitively. Make sure that all staff concerned are given the opportunity to engage in the process, bearing in mind that they could be distressed, upset and/or frightened
- Reassure your staff that their concern will be taken forward and followed up appropriately.
- Get as much information as possible from the individual. Do not interfere with any evidence and make sure it is kept in a safe place.
- Ask the member of staff to keep the matter fully confidential in order that it can be investigated without alerting the suspected/alleged perpetrator.
- Raise the concern with the University Secretary without delay.