



Scope	This Plan applies to matters relating to the detection, investigation and, where appropriate, action in respect of fraud, irregularities, bribery and corruption.
Approval	Approved by the Audit Committee on 29 June 2017.
Due for Review	+1 year from last date of approval [currently under review]
Sensitivity	Open to public – public website
Author/Owner	University Secretary's Office
Key Contacts	University Secretary Head of Regulatory Compliance & Assurance
Version Control - log of reviews/edits	<ul style="list-style-type: none">• 29 June 2017: approved by the Audit Committee• January 2020: minor amendment to job titles and terminology
External regulator	Office for Students - Terms and Conditions of Funding
Links to other internal policies and procedures	Other relevant procedures include: <ul style="list-style-type: none">• Counter Fraud & Anti-Bribery Policy• Whistleblowing Policy & Procedure
Appendices	<ul style="list-style-type: none">• Appendix A1 – Guidance for members of Staff and Managers

Purpose

- 1 The purpose of our Fraud Response Plan is to define authority levels, responsibilities for action, and reporting lines in the event of a suspected fraud. The use of the plan should enable us to:
 - (a) respond quickly and professionally to any suspicion or suggestion of fraud or irregularity;
 - (b) assign responsibility for initial and subsequent investigation;
 - (c) prevent further loss;
 - (d) establish and secure evidence necessary for any disciplinary and/or criminal action;
 - (e) notify the Office for Students (OfS) if required (where a matter of fraud reaches the threshold for reporting of over £25k);
 - (f) notify our insurers if required;
 - (g) minimise and recover losses where possible;
 - (h) establish an internal and external communications strategy and process;
 - (i) establish the need (or otherwise) for external specialist involvement;
 - (j) and conduct the investigation in a systematic manner, including the identification of actions to be taken to prevent any recurrence of the fraud.

Initiating action

- 2 Suspicion of fraud may be captured through a number of means, including the: requirement on all staff under our Financial Regulations to report suspected fraud to the **University Secretary**; use of the Whistleblowing (public interest disclosure procedure) Policy and procedure; completion of planned audit work; and the operation of proper management and control procedures.
- 3 All actual or suspected incidents should be reported without delay to the **University Secretary** who should, as soon as practicable and preferably within two working days, determine at which level the incident should be investigated (see table below for definition of these levels).

Level	Nature of incident	Investigation
1	Straightforward process issues, e.g. single student qualifications fraud, failed third party attempted frauds.	Informal discussion between University Secretary and Director of Finance to resolve.
2	Complex or multiple student cases, staff cases below the OfS significant fraud threshold (currently £25k).	Investigation, conducted by internal investigating officer, reporting to internal panel comprising University Secretary (or nominee), Director of Finance (or nominee) and Director of People Services (or nominee).
3	Fraud above the OfS significant fraud threshold but less complex case, lower level of potential loss, lower reputational threat and seniority of individuals below SBC Manager level.	Investigation, conducted by internal investigating officer, reporting to panel comprising University Secretary (or nominee), Director of Finance (or nominee), Director of People Services (or nominee) and a nominee of the University's internal auditors.
4	Fraud above the OfS significant fraud threshold but more complex case, higher level of potential loss, higher reputational threat and seniority of individuals at SBC Manager or higher.	Investigation, conducted independently by the University's internal auditors, reporting to the Audit Committee.

- 4 Should the University Secretary be suspected of fraud or 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.
- 5 Where an investigation is to take place, and the matter implicates any of the individuals in the panels, another person with senior management responsibility shall be appointed to the relevant panel by the Chair of the Audit Committee.
- 6 Any invoking of the Fraud Response Plan at Level 3 or 4 shall be reported to the Chair of the Audit Committee without delay, Level 2 issues would be reported to the next meeting of the Audit Committee and Level 1 cases would not normally be reported to the Audit Committee but would be recorded on the Fraud Register, which is maintained by the University Secretary.

Prevention of further loss

- 7 Where initial investigation provides reasonable grounds for suspecting either staff or students of fraud, the panel will decide how best to prevent further loss. If the suspect is a member of staff, they will be suspended on full pay. If it is a student, they may be suspended from all or part of our University. 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.

- 8 In these circumstances, the suspect(s) should be approached un-announced. They should be supervised at all times before leaving our premises and should be allowed to collect personal property under supervision but should not be able to remove any property belonging to our University. Any security passes and keys to premises, offices and furniture should be returned. Laptop computers and associated hardware/software must also be returned.
- 9 The Head of Security should be required to advise on the best means of denying access to University buildings, while suspects remain suspended (for example by changing locks and informing security staff not to admit the individuals to any part of the premises). Similarly, the Director of IT Services should be instructed to withdraw, without delay, access permissions to University computer systems.
- 10 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 our assets.

Establishing and securing evidence

- 11 A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. We will follow disciplinary procedures in relation to any member of staff or student who has committed fraud and will normally pursue the prosecution of any such individual.
- 12 The Investigating Officer/Internal Auditor will: maintain familiarity with our disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation; establish and maintain contact with the police (only following approval to do so from the University Secretary or nominee); establish whether there is a need for investigating/audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act; ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings; and where required, ensure that external forensic services (such as IT) meet evidentiary requirements and standards, such as those relating to continuity of evidence.

Recovery of losses

- 13 Recovering losses is a major objective of any fraud investigation. The investigating officer/Internal Auditor shall ensure that in all fraud investigations, the amount of any loss will be quantified, and repayment of losses should be sought in all cases.
- 14 Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. We would normally expect to recover costs in addition to losses.

References for staff or students disciplined or prosecuted for fraud

- 15 All requests for a reference for a member of staff or a student, who has been disciplined or prosecuted for fraud, shall be referred to the Director of People Services (for a staff member)

and the University Secretary (for students). The Director of People Services shall prepare any answer to a request for a reference having regard to employment law.

Reporting lines

- 16 Any incident matching the criteria in the OfS guidance shall be notified without delay to the Vice Chancellor and the chairs of both the Board of Governors and the Audit Committee. 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.
- 17 A final report on each incident will be produced by the panel once the investigation is completed, and it will represent the definitive document on which management (in a disciplinary situation) and possibly the Police (in a criminal situation) will base their decision. The report shall be submitted to the Audit Committee containing: a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud; the measures taken to prevent a recurrence; and any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.

Responsibility for investigation

- 18 All investigations at Level 4 shall normally be led by the Internal Auditor and not by management, although management should co-operate with requests for assistance from Internal Audit.
- 19 Some Level 4 investigations may require the use of technical expertise which the Internal Auditor does not possess. In these circumstances, the University Secretary may approve the appointment of external specialists to lead or contribute to the special investigation.

How we protect those people who raise concerns

- 20 Confidentiality - we will try to protect a person's identity when he or she raises a concern and does not want their name to be revealed. However, in some cases, the investigation process itself may reveal the source of the information. Also, the person 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.
- 21 Harassment or bullying - we understand that reporting any concerns may be a difficult decision to make, especially if the individual is worried about suffering harassment or bullying from those responsible for carrying out the fraud or corruption. We will not tolerate harassment or bullying and our disciplinary procedures and our policy on harassment and bullying support this. We will take action to protect those who raise a concern in good faith.
- 22 Anonymous allegations - we would always encourage people to come forward to discuss their concerns with us directly. Concerns raised anonymously may be much less convincing but, depending on the seriousness of the issues raised and the amount of information provided, we will still consider investigating the concern further. However, unless we are able to confirm the allegation from other sources, we may not be able to undertake a full investigation.

- 23 Untrue allegations – if a concern is raised in good faith by a member of staff but found not to be correct by the subsequent investigation, no action will be taken against the member of staff who raised the original concern. However, if members of staff make allegations that they know to be untrue, we may consider taking further action against those individuals making the allegations.

Review of Fraud Response Plan

- 24 This plan will be reviewed, for fitness of purpose, at least annually or after each use and any need for change will be reported to the Audit Committee for approval. The University Secretary will keep a register of all fraud incidents showing the nature of the incident and the outcome, including actions taken to prevent and detect similar incidents.

APPENDIX A1 – GUIDANCE FOR MEMBERS OF STAFF AND MANAGERS

What is fraud?

We define fraud as the use of deception, with the intention of: gaining an advantage, personally and/or for family or friends; avoiding an obligation; or causing a financial loss to our University or one of its subsidiary companies.

What to do if you suspect an instance of fraud?

We wish to encourage anyone having reasonable suspicions of fraud to report them and therefore, it is also our policy that no detrimental action of any kind will be taken against a person who makes a complaint, in good faith. There are two main ways in which such a complaint can be made. First, under para **B14.3** of our Financial Regulations, members of staff should immediately notify the University Secretary about any matter which involves, or is thought to involve, irregularities. Secondly, staff can make use of the [Whistleblowing \(Public Interest Disclosure\) Policy & Procedure](#).

Every member of staff has a duty to ensure that University resources are safeguarded. Staff must alert their line manager if they believe an opportunity for fraud exists because of poor procedures or lack of effective supervision. It is the responsibility of every member of staff to report details immediately to their line manager or appropriate senior person if they suspect fraud may have occurred.

Things to do:

- Stay calm - remember you are a witness not a complainant.
- If possible, write down your concerns immediately - make a note of all relevant details such as what was said in telephone or other conversations, the date, the time and the names of anyone involved.
- Consider the possible risks and outcomes of any immediate action you may take.
- Make sure that your suspicions are supported by facts, as far as is possible at this stage.

Things not to do:

- Don't become a private detective and personally conduct an investigation or interviews.
- Don't approach the person/persons potentially involved (this may lead to conflict, violence, him/her destroying evidence etc.)
- Don't discuss your suspicions or case facts with anyone other than the University Secretary unless specifically asked to do so by her.
- Don't use the process to pursue a personal grievance.

Things to remember:

- You may be mistaken or there may be an innocent or good explanation - but this will come out in the investigation.
- The fraud response and investigation process may be complex and relatively lengthy and, as a consequence, you may not be thanked immediately. Moreover, the situation may lead to a period of disquiet or distrust in the University despite you having acted in good faith.

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 a fair hearing, bearing in mind that they could be distressed, upset and/or frightened.
- Reassure your staff that they will not suffer because they have told you of their suspicions, as long as they are made in good faith.
- Get as much information as possible. 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.