



UNIVERSITY  
OF SUSSEX

Finance Division

## 1. Overview and Purpose

- 1.1 This document sets out the University's policy concerning fraud and procedures for dealing with suspected cases of fraud. It includes instructions about what to do should any fraud-related concerns arise. The policy is supported and endorsed by senior management and Council, the University's governing body.
- 1.2 In common with most organisations, the University seeks to adopt a multi-faceted approach to fraud. The eight key objectives of the University's counter-fraud policy are:
- Establishment of a counter-fraud culture
  - Maximum deterrence of fraud
  - Active and successful prevention of any fraud that cannot be deterred
  - Rapid detection of any fraud that cannot be prevented
  - Full investigation of any detected fraud using specialist expertise as required
  - Effective internal and external actions and sanctions against people found to be committing fraud, including legal action for criminal offences
  - Effective communication and learning in relation to fraud, and
  - Effective methods of seeking redress when/where fraud has been perpetrated

## 2. Scope

- 2.1 The policy applies to all parties associated with the University in a paid or unpaid capacity including staff, students, contractors and other third-parties delivering services to the University whether or not these are remunerated.

## 3. Responsibilities

- 3.1 Key roles and responsibilities under this policy are as follows:
- 3.2 University Council

Council is responsible for ensuring that the University complies with the Regulatory framework for higher education and the Terms and Conditions of funding for higher education institutions issued by the Office for Students and any related guidance, all relevant laws and the terms of significant contracts that, if breached, would have a significant impact on the University's future ability to operate.

This requires that Council ensures, inter alia, that the University has a robust and

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comprehensive system of risk management, control and corporate governance. With regards to this policy this should include the prevention and detection of corruption, fraud, bribery and irregularities

### 3.3 University Vice Chancellor

The Vice-Chancellor, as the Accountable Officer appointed by Council, is the principal academic and administrative officer of the University and is responsible to Council for all financial administration

### 3.4 The Director of Finance

The Director of Finance is responsible for issuing the Financial Regulations on the directions of the Vice-Chancellor and for issuing and updating financial policies and procedures that set out directions for the application of the Financial Regulations

The Director of Finance will advise the Heads of School and Directors of Professional Services in executing their financial management and monitoring responsibilities and provide them with such information as is necessary to enable them to carry out their responsibilities

In the context of this policy the Director of Finance is responsible for the maintenance and review of this policy and associated procedures, the investigation of potential fraud and the provision of training and other resources to enable compliance with this policy.

Where the Director of Finance considers a breach of the Financial Regulations to be serious they will report to the Vice-Chancellor and to the Audit and Risk Committee as appropriate. Council will be notified of any such breach through the Audit and Risk Committee

[The Fraud response plan (Appendix 1 to this policy) sets out the specific responsibilities for reporting suspected or actual fraud to Audit and Risk Committee and to the Office for Students]

### 3.5 Heads of Schools, Directors of Professional Services and other Managers and Budget Holders

By virtue of their positions of leadership within the University, Heads of School and Directors of Professional Services are responsible for the proper application of resources and for financial management within their area of responsibility including ensuring that day-to-day monitoring is undertaken effectively in order to ensure the propriety of transactions

In the context of this policy there is a responsibility for Heads of Schools and Directors of Professional Services to ensure adequate anti-fraud risk assessment and to ensure staff and managers are appropriately trained and supported to meet their responsibilities under this policy.

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All managers and budget holders, including Heads of School and Directors of Professional Services have a responsibility to ensure compliance with the University’s approved systems of financial controls in their areas of financial responsibility. They should also advise and support staff or third parties who report any fairly based suspicions of fraud or corruption in their areas to them and to ensure that suspicions are properly reported through the appropriate University channels.

### 3.6 Members of staff and others connected with the University

The University Financial Regulations state that all members of staff of the University and others connected with the University have a responsibility for the security of the University's property, for avoiding loss, for being efficient in the use of resources and for ensuring value for money in the University’s transactions. They must comply with the approved systems of financial controls and ensure that they have a full understanding of their responsibilities and seek training or guidance where required.

In the context of this policy this includes a responsibility for the prevention and detection of fraud and to report any fairly based suspicions of fraud or corruption through the appropriate channels.

### 3.7 Internal and External Auditors

In the context of this policy the role of internal and external audit includes the review of controls and systems and ensuring compliance with financial instructions. Both Internal and External Audit have a duty to pass on any suspicions of fraud, bribery or corruption to the relevant individuals in the University. In the first instance this will usually be the Director of Finance. The outcome of any investigation may necessitate further work by internal or external audit to review systems.

## 4. Policy

### 4.1 Definition of fraud for the purposes of this policy

The term fraud is a broad and widely-used term to describe a number of fraudulent-type activities that include theft, false accounting, misappropriation, bribery, corruption, deception and collusion.

For the purposes of this policy the University defines fraud as follows:

“Any action deliberately designed to cause loss to the University, or to obtain any unauthorised benefit, whether or not this is received personally or by others.”

At a practical level, fraud is deemed to be deliberate intent and not unintentional error.

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For the purposes of this policy references to fraud refer to fraud and financial irregularity.

The main types of financial irregularity are:

- Theft: this includes the removal and/or misuse of funds, assets or cash (although prosecuted under specific theft legislation, theft is considered as a fraud within the scope of this policy).
- False accounting: dishonestly destroying, defacing, concealing or falsifying any account, record or documents required for any accounting purpose, with a view to personal gain or gain for another, or with the intent to cause loss to the University or subsidiary or furnishing information which is or may be misleading, false or deceptive
- Abuse of position: where fraud is committed by a person or people by virtue of their position, or authority where they are expected to safeguard the University's financial interests or not act against those interests

Whilst they can be very varied in nature, some examples of financial irregularities within the University context include, but are not limited to:

- Abuse of the expenses process and system
- Use of the University logo and/or letterhead for personal financial gain
- Abuse of the research grants, including misrepresentation and/or 'siphoning' of funds for personal gain
- Abuse of procurement processes
- Payroll fraud
- Conflicts of Interest leading to financial gain

This policy does not apply to fraud with academic implications which is addressed in the Academic Misconduct Policy or non-financial employment fraud such as falsification of references which is addressed through the University Disciplinary Policy.

#### 4.2 The University's commitments in relation to fraud

The University is committed to the highest standards of honesty, accountability, probity and openness in its governance and to the proper use of funds, both public and private.

The University is committed to, and will uphold, all laws relevant to countering fraud and corruption.

The University has zero tolerance towards fraud or any form of dishonesty in its transactions in the UK and overseas.

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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.

The University's approach to counter-fraud will be comprehensive, cost-effective and professional, using specialist expertise if, as and when required.

Any investigation of fraud 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 Procedure or contractual processes where a third- party is involved) and will also take every step to recover any and all losses in full.

#### 4.3 The University's expectations in relation to fraud

The University will not tolerate fraud or any form of dishonesty in its transactions, and expects the following standards of conduct and behaviour:

- All its members (staff, managers, Council members and students) should behave in a fair and honest way in any dealings related to the institution. This applies equally to both internal conduct, and also externally in relation to our suppliers, partners and other business associates.
- All staff and managers to apply themselves diligently to their work and the execution of their duties. Specifically to have due regard to the need to rigorously apply those internal controls, rules and regulations which are designed to prevent, deter and detect fraud.
- As well as operating within the law and any specific agreements or contracts, all external organisations dealing with the University, must conduct themselves in accordance with normal ethical business standards consistent with our Charitable status and public-sector funding.
- Any member, supplier, partner or associate to promptly report all legitimate concerns about suspected fraud or financial irregularity according to the provision of the University fraud response plan at appendix 1 to this policy. The University will treat all such concerns raised in the strictest of confidence.

#### 4.4 Raising concerns regarding suspected fraud

Where there is suspicion that fraud or corruption has occurred, or is about to occur, then it is essential that the appropriate person within the University is contacted immediately in accordance with the University's fraud response plan at Appendix 1 to this policy.

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Guidance for staff, managers and others who have concerns regarding a potential fraud is included at Appendix 2 to this policy.

#### 4.5 Investigation and reporting of fraud

The Fraud Response Plan at Appendix 1 to this policy sets out the process that will be followed to investigate the suspicion and the circumstances in which notifications will be made to Audit Committee and Council, the Internal and External Auditors and to the Office for Students.

#### 4.6 Dissemination of this policy

It is essential that everyone associated with the University –including staff, students, contractors and third-parties - are aware of the risk of fraud, corruption, theft and other activities involving dishonesty, in all its forms , of their responsibilities and the of the consequences of fraudulent behaviour or actions.

This policy is published on the University website maintained by the General Counsel and is available through the external University website.

The policy can be accessed directly via the electronic version of the University Financial Regulations and through the University Fraud Awareness e learning module.

Fraud awareness raising for staff and students will be carried out through periodic ‘hints and tips’ and case studies published through University communication routes, including signposting to this policy and the associated e learning.

Heads of Schools, Directors of Professional Services will be reminded of their responsibilities under this policy on an annual basis through communication by the Finance Division

Fraud Awareness e learning is published and maintained by the Director of Finance and is strongly recommended to all staff within the University and especially to all senior staff, officers and budget holders and other third parties associated with the University in a paid or un paid capacity including students, contractors and others delivering services to the University, whether or not these are remunerated.

The University procurement function will draw this policy to the attention of existing and new suppliers to the University as appropriate

#### 4.7 Review of this policy

This policy will be reviewed annually by the Director of Finance to ensure its continuing effectiveness and also after each use of the Fraud Response plan.

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Amendments will be approved by Audit and Risk Committee.

## 5 Appendices to this policy

5.1 The following appendices should be read in conjunction with this policy:

- [Appendix 1](#) - Fraud response plan
- [Appendix 2](#) – Practical guidance for members of staff who suspect a potential fraud, and their managers

## 6 Legislation and Good Practice

6.1 This Policy and Fraud Response Plan has been drawn up in the context of the following statutory and good practice guidance:

- The Crown Prosecution Service provides detailed guidance on the law relating to fraud, including guidance on what prosecutors will look for in assessing whether to prosecute for fraud, on its website at [http://www.cps.gov.uk/legal/d\\_to\\_g/fraud\\_act/](http://www.cps.gov.uk/legal/d_to_g/fraud_act/)
- The British Universities Finance Directors Group (BUFDG) has developed a Counter-fraud toolkit containing a collection of higher education sector specific resources produced by its Counter-Fraud Working Group and a range of other collaborators from across the sector at <https://www.bufdg.ac.uk/resources/fraud/>

Review / Contacts / References	
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Next review date:	July 2023
Related internal policies, procedures, guidance:	Financial Regulations – <a href="#">Anti Money Laundering Policy</a> , <a href="#">Donations Policy</a> <a href="#">Anti Bribery Policy</a> <a href="#">Public Interest Disclosure Policy</a> <a href="#">Disciplinary Policy</a> <a href="#">Academic Misconduct Policy</a>
Policy owner:	Finance
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