

GUIDANCE FOR STAFF ON FRAUD PREVENTION AND FRAUD REPORTING

Introduction

The University does not tolerate fraud, and is committed to reducing the risks of this by establishing an anti-fraud culture among our staff and by implementing preventative measures to minimise the risk of occurrence. These guidelines set out examples of what might be considered fraud and set out some simple things staff can do to minimise the risk of fraud within the University.

What is fraud?

There is no legal definition of fraud but our Accountability Code of Practice sets out that we define fraud as:-

- acts involving deception or misrepresentation with the intention of obtaining or maintaining an advantage or unjustified favourable position;
- avoiding an obligation; or
- causing loss to another party.

It can cover a variety of actions. For example:

- the forgery or alteration of cheques or other financial documents or accounts belonging to the University;
- submitting false time sheets or expense claims;
- improper handling or reporting of money or financial transactions;
- profiting as a result of insider knowledge of University activities;
- the theft or misuse of University property.

Fraud can also cover the acts of a third party. For example:

- Collusion, price fixing and deliberate misrepresentation in procurement activities;
- Receiving fraudulent (rather than erroneous) invoices from a supplier;
- Submitting fraudulent instructions to change payment details for genuine suppliers, students or staff in order to divert payments legitimately due to those organisations or individuals (mandate fraud).

One of the biggest sources of attempted third party fraud that we see is identity theft through spam or phishing as a way of either defrauding the University or trading on our reputation to carry out a fraud against another third party. Whilst this is not necessarily a fraud in its own right, it is a precursor to fraud and staff should be specifically aware of this and bring it to their line managers attention if they suspect this.

What does the University do to prevent fraud?

The University has in place organisation wide measures to prevent and detect fraud. For example:

- the design and efficient operation of the University's internal financial procedures and controls, including their review in the light of reported frauds;
- providing advice and assistance to staff on suitable control measures that can be put in place for a particular system;
- the ongoing review of systems for the control, prevention and detection of fraud; and
- the investigation of fraud or suspected fraud within the University.

What practical steps can staff take to prevent fraud?

All staff are expected to have high standards of personal integrity and honesty so are expected to take appropriate steps in their day-to-day work to minimise the chance of fraud occurring. Some examples of measures individual staff can take are:

- Putting in place effective management and internal controls, for example, when developing a new system or process making sure that there is a segregation of duties so that no individual is responsible for all aspects of a process without adequate independent review and supervision;
- Adhering to the University Financial Regulations when carrying out University business;
- Acting with regularity and propriety in use of University resources and in the handling and use of University assets and funds, whether the involvement is with cash or other forms of payment, receipts, or dealing with contractors and suppliers;
- Following the Reporting Concerns Procedure if they suspect that a fraud has occurred;
- Co-operating fully with University employees or agents conducting internal checks or reviews or fraud investigations.
- Bringing to their line managers attention any areas of weakness they have identified in the procedures they use, which could allow opportunities for fraud, and to suggest improvements to these procedures to reduce the possibility of fraud.

Where an employee has management responsibility they may have additional responsibility for:

- ensuring that an adequate system of internal control exists within their area of responsibility to minimise the identified risks and that controls operate effectively and are complied with;
- ensuring that all the University control measures are understood and enforced by all relevant staff;
- Providing training to those involved in high risk areas (e.g. procurement, cash handling) to make sure they understand the processes they are expected to follow;

- making sure the necessary supervisory procedures and checks are carried out;
- making sure internal control instructions and reference documents are up to date;
- making sure the segregation of duties in areas they supervise is not compromised during staff vacancies or absences.

Anyone becoming aware of or suspecting fraud should report their concerns immediately to their line manager or via our 'Raising Concerns' procedure which sets out the formal procedure that should be followed if a staff member suspects any fraudulent activity is taking place within the University.

If you have any questions about any of the information contained in this guideline you should contact the Legal Services team (legal@uws.ac.uk).

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