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**Anti-Fraud Policy & Procedures**

**SCOPE AND PURPOSE**

* 1. As a charity, BU must operate to ensure that its resources are protected so that it can fulfil its aims for the public benefit. All members of the BU community are required to always act honestly and with integrity and to safeguard the resources for which they may be responsible. This document sets out:

# the University’s policy in relation to fraud,

# the key responsibilities in relation to prevention and detection of fraud,

# the procedures to be followed if an issue arises; and

# key responsibilities in relation to any potential fraud that arises.

* 1. For the purposes of this policy and procedures, the term “fraud” is used to describe a range of activities. This policy applies to any activity that could be described as fraud, including criminal tax evasion and facilitation of criminal tax evasion.
	2. “Fraud” is not a technical term, and several different criminal offences or civil actions may be relevant if there has been fraudulent behaviour. Manipulating, altering or destroying computer records or programmes, and misusing IT resources is also fraud for the purposes of this policy. Examples of fraudulent behaviour include:

# theft,

# deception,

# breach of trust,

# actions causing financial loss to another or leading to financial gain,

# criminal tax evasion

# facilitation of criminal tax evasion,

# misappropriation,

# false representation,

# concealment,

# the manipulation of computer programmes or data including altering, substituting, or destroying records, or creating spurious records; and

# misuse of IT resources.

* 1. This policy and these procedures apply to all BU staff, including those employed by subsidiaries and external board members and contractors providing services to BU and their staff, and to all students, as well as any agent or other person who performs services for or on behalf of BU. The BU community also applies to non-staff who are associated with BU, such as Governors, Trustees and Committee members.
	2. Fraud may also be carried out by third parties outside the BU community, to deceive BU, its staff, or students, or members of the public. The procedures set out in this document apply to fraud which may have been carried out by third parties whether it would affect BU or the BU community or, members of the public, or an authorised regulatory body (e.g. HMRC), such as, for example, using the BU name to deceive members of the public.
	3. BU is committed to ensuring that it has reasonable prevention procedures in place to prevent facilitation of criminal tax evasion by its staff and associated persons. BU has included this within the definition of fraud to ensure reporting mechanisms are in place for concerns to be raised and investigated.
	4. BU has separate policies relating to bribery and corruption, (the [Anti-Bribery Policy and Procedures](http://intranetsp.bournemouth.ac.uk/policy/Anti-Bribery%20Policy%20and%20Procedures.pdf)) and conflicts of interest (the [Conflicts of Interest Policy and Procedures](http://intranetsp.bournemouth.ac.uk/policy/Conflicts_of_Interest_Policy_and_Procedures%20v4.doc)). If a matter arises as defined in those policies, it should be reported as set out in those documents. In a complex case, more than one policy may be relevant – in this case, please seek advice from Legal Services, Human Resources (HR) or the Director of Student Services (DSS) as to the process to follow.
	5. The purpose of this policy and the procedures outlined in this document are to ensure that:

# reasonable prevention procedures are in place,

# anyone who becomes aware of a fraud or suspected or potential fraud raises it in the appropriate manner so that it can be properly investigated,

# steps are taken to prevent further loss once a potential issue has been identified,

# evidence is established and secured for investigation and, if appropriate, disciplinary or police action,

# stakeholders are informed of potential fraud where appropriate and as soon as possible,

# steps are taken, where appropriate, to recover any losses,

# appropriate action is taken against those responsible for fraud or suspected fraud; and

# any necessary changes are made to procedures and systems in the light of lessons learned.

1. **KEY RESPONSIBILITIES**
	1. The BU Board has overall responsibility for ensuring that (a) the University’s resources are protected so that it can fulfil its aims for the public benefit, (b) that appropriate action is taken if an issue arises, and (c) for ensuring that appropriate policies and procedures are in place to address these matters.
	2. The Audit, Risk and Governance Committee (ARGC) has responsibility for advising the Board on the matters referred to above, including reviewing these policies. Specifically, the ARGC has responsibility for reviewing the outcome of any investigation that is carried out under this policy and any recommendations for actions to be taken to prevent further fraud.
	3. The external engagement lead for Internal Audit (IA) has responsibility for investigation of any matters referred by the Finance Director (FD) and, when requested, for making recommendations for actions to be taken to prevent further fraud.
	4. Responsibility for the management and implementation of this policy and procedures lies with the FD.
	5. Legal Services, HR, and the DSS can provide advice on the implementation of this policy and procedures, as appropriate.
	6. For the purposes of this document, the job title will include those that have been given appropriate delegated responsibility and this will also include the equivalent, where job titles or departments have changed.
2. **LINKS TO OTHER BU DOCUMENTS**
	1. The following documents also include policies and procedures that may be relevant to the matters covered in this document (see the links to the relevant folders below):
* [Financial Regulations](https://intranetsp.bournemouth.ac.uk/policy/BU%20Financial%20Regulations.pdf) – set out BU’s policies on financial control and include a framework for financial control and detailed corporate governance and management responsibilities.
* [Conflicts of Interest Policy and Procedures](http://intranetsp.bournemouth.ac.uk/policy/Conflicts_of_Interest_Policy_and_Procedures%20v4.doc) – sets out BU’s policy in relation to conflicts of interest and the procedures for identifying, disclosing and managing potential conflicts.
* [Anti-Bribery Policy and Procedures](http://intranetsp.bournemouth.ac.uk/policy/Anti-Bribery%20Policy%20and%20Procedures.pdf) – sets out BU’s approach to monitoring, identifying, and avoiding bribery and corruption.
* – sets out the procedures for handling cash to protect BU’s resources, reporting suspected money laundering and identifying counterfeit bank notes.
* [Code of Ethical Fundraising and Donors’ Charter](https://intranetsp.bournemouth.ac.uk/policy/Code-of-Ethical-Fundraising-and-Donors-Charter.docx) – deals with the legal, ethical and moral implications of fund-raising
* Whistleblowing / [Public Interest Disclosure Policy and Procedures](https://intranetsp.bournemouth.ac.uk/policy/whistleblowing-policy-oct-2019.pdf) – sets out BU’s policy and procedure for whistle-blowing
* [Procurement Manual](http://intranetsp.bournemouth.ac.uk/policy/BU%20Procurement%20Manual.pdf) – sets out requirements when dealing with the University’s suppliers.
	+ [Staff Handbook](https://staffintranet.bournemouth.ac.uk/aboutbu/policiesprocedures/staffhandbook/) – includes the [Staff Disciplinary Procedure](http://intranetsp.bournemouth.ac.uk/policy/Disciplinary%20Procedure.docx), [Suspension](http://intranetsp.bournemouth.ac.uk/policy/Suspension%20Procedure.docx) Procedure, [General Conduct](http://intranetsp.bournemouth.ac.uk/policy/general-conduct.docx), [University Equipment.](http://intranetsp.bournemouth.ac.uk/policy/university-equipment.docx) There is also the [Code of Practice - Use of Communications Facilities](http://intranetsp.bournemouth.ac.uk/policy/use-of-communication-facilities.docx), which may be relevant if staff are involved (or alleged to have been involved) in fraudulent activities, in addition to the [Grievance Procedure](http://intranetsp.bournemouth.ac.uk/policy/Grievance%20Procedure.docx). The Annual Student Agreement includes information about the rules and regulations that apply to students at BU in relation to such matters.
* 1.11K [Student Disciplinary Procedure](https://intranetsp.bournemouth.ac.uk/pandptest/11K-student-disciplinary-procedure%20%282021-22%29.pdf) – these will apply if a student isalleged or discovered to have been involved in fraudulent activities
* 1.11F [Student Complaints Procedure](https://intranetsp.bournemouth.ac.uk/pandptest/11f-student-complaints-policy-and-procedure%20%282023-24%29.pdf) – this is the mechanism whereby a student may raise a complaint if they believe that they have been a victim of fraud by another member of the university community
* Information Security policies – there are a number of these that are relevant to this policy and reduce the risk of fraud. Key policies include [Information Security Policy](https://intranetsp.bournemouth.ac.uk/policy/Information%20Security%20Policy.pdf); [BU Staff and Authorised Users Policy](https://intranetsp.bournemouth.ac.uk/policy/BU%20Staff%20and%20Authorised%20Users%20Policy.pdf); [Acceptable Use Policy](https://intranetsp.bournemouth.ac.uk/policy/Acceptable%20Use%20Policy.pdf); and [Threat and Vulnerability Security Standard Policy](https://intranetsp.bournemouth.ac.uk/policy/Threat%20and%20Vulnerability%20Security%20Standard.pdf).

**Policy**

1. **Policy for Identifying and Managing Fraud**
	1. BU encourages all its community to come forward and report concerns. This is a core part of our commitment to ethical and legal compliance and BU is committed to ensuring that individuals making reports in good faith do not suffer detriment as a result. Any person who is concerned about making a report through the channels described in this document, should follow the procedure outlined in the Whistleblowing / [Public Interest Disclosure Policy and Procedures](https://intranetsp.bournemouth.ac.uk/policy/whistleblowing-policy-oct-2019.pdf).
	2. Activities identified as fraud might constitute gross misconduct, and staff who are involved could be subject to disciplinary action in accordance with the procedures laid out in the [Staff Handbook](https://staffintranet.bournemouth.ac.uk/aboutbu/policiesprocedures/staffhandbook/).
	3. Students who are involved in any activity that is considered to be fraud could be subject to disciplinary action in accordance with the procedures laid out in the [Student Disciplinary Procedures](https://staffintranet.bournemouth.ac.uk/aboutbu/policiesprocedures/student/).
	4. BU will take the appropriate action against any third party involved in fraud that would affect the BU community in any way. Where appropriate, this will involve reporting the matter to the police for formal investigation and prosecution or taking action against an individual or organisation.
	5. BU staff, students and contractors and their staff should be vigilant in taking action to detect and prevent fraud and to report any concerns about fraud as set out in the procedures below.
	6. **Preventative Measures**

The BU risk register will be used to identify and assess risks and ensure procedures are implemented to mitigate wherever appropriate. Early reporting of concerns can facilitate prevention.

**Procedures**

1. **Reporting**
	1. Any member of staff who is concerned about fraud, or suspected or potential fraud, or who is made aware of an incident or a complaint about a potential fraud, must raise the concern in confidence either directly with the FD or with an appropriate senior manager in their faculty or Professional Service.
	2. Any student who is concerned about fraud, or suspected or potential fraud must raise the concern in confidence with the Dean of their Faculty, or another appropriate member of staff. Students may also check who the appropriate staff member is through askBU.
	3. Any senior manager who is notified or becomes aware of fraud or suspected fraud must notify the FD as soon as possible. In the absence of the FD, the matter must be raised with the Chief Operating Officer (COO).
	4. As noted above, any person having concerns about making a report through the channels described in this document, should follow the procedure outlined in the Whistleblowing / [Public Interest Disclosure Policy and Procedures](https://intranetsp.bournemouth.ac.uk/policy/whistleblowing-policy-oct-2019.pdf).
	5. Where there is any possibility that a member of the University Leadership Team (ULT) may be involved, the member of staff must raise the matter directly with the FD or the COO. Concerns in relation to a member of the University Executive Team (UET) or a member of the University Board should be made, as the person raising the concern or allegation deems appropriate, to the Vice-Chancellor (VC), the Chairman of the University Board or to the Chair of the ARGC. Any subsequent investigation of such a concern or allegation should, as far as possible, follow the approach set out below.
	6. The FD must ensure that the Chair of the University’s ARGC, the external engagement lead for IA and, where appropriate, the relevant funding body, are informed as soon as possible of concerns or allegations related to fraud or suspected fraud and of the steps that will be taken to investigate it.
	7. In order to ensure that investigations can be carried out, the member of staff or student who has raised the matter and any senior managers who are informed must ensure that they keep the matter confidential. Any disclosure must be authorised by the FD.
2. **Taking Action**
	1. The FD, once notified, must carry out an initial review of the allegations and decide what action should be taken, as set out in more detail in this section, in liaison with authorised regulatory bodies as required.
	2. If there is sufficient information to indicate that the alleged fraud if proven, would constitute a criminal offence then the following shall apply:
		1. If the FD regards the alleged fraud as potentially constituting an offence, no internal action shall be taken (other than suspension from BU, as a precautionary measure, if appropriate) until the matter has been reported to the police.
		2. The police may require a short delay while they conduct an initial investigation or may advise that steps are taken, or that the investigation is conducted in a particular way (for example to ensure that evidence is preserved or can later be used in legal proceedings).
		3. If the matter has been reported to the police, the internal investigation can continue. The investigation team should take account of the police advice and conduct the investigation so that it does not adversely affect any police or other authorised regulatory body investigations.
	3. If a matter is to be dealt with internally, the following applies to BU staff or students:
		1. Any disciplinary action must be carried out in accordance with the [Staff Disciplinary Procedure](https://staffintranet.bournemouth.ac.uk/aboutbu/policiesprocedures/staffhandbook/) or Student Disciplinary Procedure (as appropriate).
		2. The Director of HR (for staff disciplinary action) or DSS (for student disciplinary action) must ensure that the FD is kept informed during the disciplinary process.
	4. If the FD concludes that further information is required, then the FD will request an internal investigation in accordance with sections 7 and 8.
	5. If the FD concludes that there is sufficient information to determine that the allegations do not warrant further investigation, then no further action will be taken and the matter will be considered closed.
3. **Internal Investigations – team**
	1. In some instances, the FD could conclude that it is appropriate to ask the external engagement lead for IA to carry out an investigation into the allegations. The decision as to whether to involve the external engagement lead for IA at this stage will be taken by the FD in consultation with the Chair of the ARGC.
	2. Any investigation by the external engagement lead for IA will be conducted as an independent investigation. As far as possible, section 8.1, 8.2, 8.4, 8.5, 8.6 and 8.11 will apply to such an investigation, and the external engagement lead for IA will provide a report and make recommendations to the FD. The external engagement lead for IA will not be involved in management decisions such as those described in section 8.3.
	3. Where further investigations are required, but it is not appropriate to involve the external engagement lead for IA at the investigation stage, the FD will appoint an internal Investigation Team.
		1. The Investigation Team will consist of at least three people (determined by the FD depending on the circumstances and the complexity of the issue).
		2. It should usually be led by a member of the ULT from outside the Faculty/Service in which the alleged fraud took place.
		3. The team must include a specialist in the topic relating to the fraud (e.g. legal, financial) and administrative support will usually be provided by the team of the person leading the Investigative Team, although alternative arrangements may be made at the team leader’s request.

1. **Internal Investigations – process**
	1. The Investigation Team must maintain confidentiality as far as is possible and at all times. In some circumstances, it will be necessary to disclose the identity of the person raising the allegations or of others involved in the investigation. In this case, any individual that is likely to be identified through the investigation should be warned in advance.
	2. The Investigation Team will assess what further information is required and inform the FD of their proposed approach.
	3. If, during the investigation, the Investigation Team become aware of evidence that leads them to believe that a serious breach of discipline may have occurred, they could request that a member of staff or student be suspended from BU. Any suspension must be carried out in accordance with the procedures laid down in the staff or student disciplinary procedures (as appropriate) and subject to liaison with the police where appropriate (see section 6 above).
	4. As part of their investigations, the Investigation Team could need to meet with the person raising the allegations, any member of staff or student believed to have been involved with the alleged fraud, and any potential victim(s) of the alleged fraud, as well as others who may be aware of relevant circumstances.
	5. Any person to be interviewed should normally be provided with information about the allegations in advance of the meeting unless there is a serious concern that to do so will prejudice the investigation or enable further loss to take place. Staff members have the right to be accompanied at the interview by a fellow worker, trade union representative or an official employed by the trade union. Students have the right to be accompanied by a friend or representative.
	6. The Investigation Team could also consider other documentary evidence or written submissions where appropriate.
	7. Following the investigation, the Investigation Team will prepare a report to the FD. The FD will determine whether any further action should be taken considering the recommendations made by the investigating team. This could involve action in accordance with the relevant disciplinary procedures and/or the involvement of the external engagement lead for IA or the police, or other authorised regulatory body.
	8. The Investigation Team could make recommendations as to steps to be taken to avoid a re-occurrence of any issues that raised concern or to prevent further loss. The FD could also ask the external engagement lead for IA to consider the outcome of any investigation, whatever the outcome, and make recommendations to BU as appropriate. The FD should take appropriate steps to ensure that any such recommendations are reviewed by UET and the appropriate Faculty/Service.
	9. Once the investigation has been concluded, the FD will normally provide a copy of the report to all those who have been interviewed as part of the investigation, unless there is a serious concern that to do so will prejudice a further investigation or police enquiry or enable further loss to take place. The FD should, after consultation with HR and/or Legal Services, redact portions of the report relating to individuals where this is appropriate. The FD should also notify any person who has been the subject of an investigation as to whether any further action will be taken and if so, what that action will be.
	10. The FD must report the outcome of the investigation and any recommendations to the Chair of the University’s ARGC and the external engagement lead for IA, subject to requirements to maintain confidentiality to avoid prejudicing a further investigation or police enquiry.
	11. In the interest of all parties, it is expected that the investigation and report should normally be completed within one calendar month of the concern or allegation being raised. Where possible all relevant parties will be kept informed of progress and unavoidable delays and provided with a revised timetable for the completion of the process.
2. **Contractors’ Staff**
	1. Staff employed by a third-party contractor are considered to be members of the BU community and have the same responsibility as anyone employed directly by BU to raise any matters of concern, including fraud. This is referred to further in the [Public Interest Disclosure Policy and Procedures](https://staffintranet.bournemouth.ac.uk/aboutbu/policiesprocedures/staffhandbook/).
	2. If an allegation of fraud relates to the action of a member of staff of a contractor providing services to BU, the FD should notify the contractor.
	3. Where the FD regards the alleged fraud as potentially constituting a serious offence, no internal action shall be taken (other than suspension by the contractor of the member of staff involved, where appropriate) until the matter has been reported to the police. Internal action should be suspended until any subsequent criminal proceedings have been completed or the police have advised that they do not object to BU or the contractor dealing with the matter.
		1. Where there is sufficient information to indicate that the alleged misconduct, if proved, would not constitute a serious offence, the contractor will be required to investigate the matter fully, in accordance with their own procedures, including staff disciplinary procedures if appropriate.
		2. Once the investigation is complete, the contractor must provide the FD with a copy of the investigation report and details of the action that has been taken.
3. **Third parties**
	1. Where concerns are raised which relate to a member of the public, the FD will advise the police if appropriate and take action to ensure appropriate BU staff are aware of the issues to prevent any re-occurrence.
	2. The FD should consider whether it is necessary to appoint an Investigation Team or ask the external engagement lead for IA to investigate any such matter and make recommendations to ensure that future incidents can be prevented.
4. **Complaints**
	1. If any person who has raised an issue is not satisfied that their complaint has been properly considered, they should consider following the procedures set out within the Whistleblowing / [Public Interest Disclosure Policy and Procedures](https://intranetsp.bournemouth.ac.uk/policy/whistleblowing-policy-oct-2019.pdf), or the 1.11F [Student Complaints Policy](https://intranetsp.bournemouth.ac.uk/pandptest/11f-student-complaints-policy-and-procedure%20%282023-24%29.pdf), in the case of students.
5. **Recovery of losses**

12.1 BU will always take appropriate steps to recover any loss caused by fraud, either through criminal or civil proceedings or otherwise. The FD will determine such steps.