

OXFORD UNIVERSITY GAZETTE



ANTI-FRAUD POLICY

SUPPLEMENT (2) TO NO. 4796

WEDNESDAY, 7 FEBRUARY 2007

Part A: Introduction

University Objective

1. The objective of the Fraud Policy and Response Plan is to safeguard the proper use of the University's finances and resources, including the finances and resources of its subsidiary companies, against fraudulent acts: and to comply with the law and relevant regulations.
2. The University, which derives a significant proportion of its income from public funds, benefactions and charitable organisations, has a particular responsibility to ensure that income and resources are used solely for the purposes intended.

Definitions

3. A person acts fraudulently when he or she, with the intent of making a financial gain or causing a financial loss or exposing another to the risk of financial loss:
 - (a) dishonestly makes a false representation, or
 - (b) dishonestly fails to disclose information which he or she is under a legal duty to disclose; or
 - (c) occupies a position in which he/she is expected to safeguard, or not to act against, the financial interests of another person and;
 - (i) dishonestly abuses that position; and
 - (ii) intends, by means of the abuse of that position:
 - (a) to make a gain for himself/herself or another; or
 - (b) to cause loss to another or to expose another to risk of loss.
 - (d) A person may be regarded as having abused his/her position even though his/her conduct consisted of an omission rather than an act.

Part B: Policy

4. Fraud is a serious matter. All cases of suspected fraud will be investigated, whether they concern the assets of the University, or of persons or bodies connected with the University (e.g. grant funding bodies). Any member of staff, regardless of their position or seniority, against whom prima facie evidence of fraud is found, will be subject to disciplinary procedures which may result in dismissal.
5. The University reserves the right to seek redress via civil proceedings against individuals whose fraudulent acts have resulted in financial loss to the University, whether or not the individual concerned is criminally convicted of that fraudulent act.

6. The University may involve the police in any case of fraud or suspected fraud, at any stage of an investigation.
7. The University will inform the relevant grant funding body in accordance with the terms and conditions of the grant in any case where the allegation may concern abuse of the funds or assets of that body.
8. The University's Financial Regulations, which apply to the conduct of all the financial affairs of the University, apply to all members of staff.

The Regulations govern the proper use of finances and resources (which may, for example, involve cash, equipment, facilities, information, staff time, physical or intellectual property) in a manner which satisfies the University's requirements for accountability, internal control, and the management of financial risk; including any legal or financial obligations laid down by the HM Revenue and Customs, the Higher Education Funding Council for England ('HEFCE'), and other government authorities. To see the Financial Regulations in full, please go to <http://www.admin.ox.ac.uk/statutes/regulations/271-062a.shtml>.

What to do if you think there might be fraud

9. Any member of staff who suspects with good cause that fraud has been committed must report the matter immediately to the Internal Audit service (phone Alan Lees, Partner of RSM Robson Rhodes on 020 7865 2392 or e-mail: alan.lees@rsmi.co.uk), Director of Finance or the Registrar for investigation by the Internal Audit service.
10. If it is the Manager of Internal Audit who is suspected of fraud, the matter should be reported to the Director of Finance, the Registrar or the chairman of the Audit and Scrutiny Committee; the person to whom the report is first made will inform the other two.
11. The Internal Audit service will respond to the reported fraud in accordance with the Response Plan, set out below.
12. All reports of suspected fraud will be treated in the strictest confidence, and any investigation under this procedure will be treated as an investigation under the University's Code of Practice on Public Interest Disclosure ('whistleblowing'). Details may be found on the Web site at <http://www.admin.ox.ac.uk/ps/staff/codes/pid.shtml>.
13. In order to maintain confidentiality, and prevent compromising any related investigations, employees who are aware of any circumstances of fraud should not discuss those circumstances with other employees or with any other persons.

14. An individual who makes a report of suspected fraud will be protected under the provisions of the Code of Practice on Public Interest Disclosure if the report is made in good faith.

Part C: Response Plan

Reported Fraud

15. Once a suspected fraud has been reported to the Internal Audit service, the Internal Audit service will advise in strict confidence the Director of Finance, Registrar and the chairman of the Audit and Scrutiny Committee; the matter may also be reported to the Director of Personnel Services, Director of Legal Services, the head of department/faculty board chairman and the head of division as appropriate.

16. No other action should be taken, and no investigation should commence, without the explicit approval of the Director of Finance.

17. In cases which involve or may involve students, the Proctors will be informed by the Internal Audit service at the outset of the investigation.

Suspension

18. Personnel Services must be consulted before any staff member is suspended, and must be consulted throughout on the conduct of the investigation. No one person, acting on his or her own volition, may move to suspend a member of staff suspected of fraud.

19. Any individual who is suspected of fraud may be suspended immediately (on the current appropriate rate of pay) pending a full investigation. In some cases it may also be necessary to suspend other staff in order to conduct a proper investigation. The suspension of a member of staff does not constitute a finding of misconduct against him or her. Any staff suspended as a result of suspected fraud will be informed of the reason for the suspension.

20. Individuals suspended for suspected fraud, and individuals suspended to enable a proper investigation to be carried out, will normally be required to leave University premises immediately. During the period of suspension they will not be permitted to return to the premises, to make contact with staff or witnesses, or to act on behalf of the University, unless given express permission to do so by the relevant University authorities. Any infringement of this requirement will be treated as a disciplinary offence.

21. Where the indicative losses are found to exceed £10,000, the Internal Audit service should obtain immediate legal advice as to whether or not it is appropriate to seek an injunction to freeze the assets of the suspected party pending a formal investigation.

Notification of HEFCE

22. In the event of an attempted or suspected or actual 'significant fraud or irregularity', the Internal Audit service must inform the HEFCE accounting officer, in accordance with the HEFCE Audit Code of Practice (June 2004/27).

23. The HEFCE Audit Code of Practice states that 'significant fraud or irregularity' is usually where:

(a) the sums of money involved are, or potentially are, in excess of £20,000; or

(b) the particulars of the fraud or irregularity are novel, unusual or complex; or

(c) there is likely to be public interest because of the nature of the fraud or irregularity, or the people involved.

24. To see the full text of the HEFCE Audit Code of Practice (in pdf format) please go to http://www.hefce.ac.uk/pubs/hefce/2004/04_27/04_27.pdf.

Police Involvement

25. The Director of Finance and Registrar will decide whether the police should be involved at any stage of each fraud investigation, on the basis of recommendations made by the Internal Audit service and with the advice of the Legal Services Office and the University Marshal.

26. In all cases where the police are involved, the University reserves the right to proceed with its own disciplinary procedures when it would be reasonable to do so, bearing in mind the employee's rights to a reasonable investigation, to defend him or herself and to a fair and impartial hearing.

Conduct of the Investigation

27. All reports of suspected financial irregularities or fraud will be investigated by the University's Internal Audit service.

28. The Internal Audit service will ensure that all fraud investigations take account of appropriate professional practice, and of guidance issued by HEFCE.

29. The Internal Audit service will also ensure that an appropriate fraud response plan detailing the Internal Audit's procedures is in place, and is reviewed regularly.

30. The Internal Audit service has an unrestricted right of access to all vouchers, documents, books of account, computer data and to any other information which it considers relevant to its enquiries and which is necessary to fulfil its responsibilities. This includes the right to verify assets, and the right of direct access to any employee or person responsible for the administration or management of University funds with whom the Internal Audit service feel it is necessary to raise and discuss such matters.

Part D: Further Information

Report of Investigation

31. On completion of an investigation of fraud, a written report, prepared by the Internal Audit service, shall be submitted in strict confidence to the Director of Finance who will refer the matter to the appropriate person to take any necessary action, including disciplinary action.

32. A copy of the report shall also be submitted in strict confidence to the chairman of the Audit and Scrutiny Committee to decide whether or not the circumstances are such that the written report ought to be anonymised in order to protect the identities of the people involved in the investigation before it is submitted to the committee.

33. The report shall contain:

(a) a description of the incident, including the value of any loss, the people involved and the means of perpetrating the fraud;

(b) the measures taken to prevent a recurrence; and

(c) any action needed to strengthen future responses to fraud, with a follow up report on whether or not the actions have been taken.

Register of Allegations of Fraud

34. The Secretary of the Audit and Scrutiny Committee shall maintain a register (the 'Register') of all cases of fraud which are reported within the University, including those where there was found to be no case to answer.

35. Special arrangements for the storage and maintenance of the Register should be made to take account of the confidential and sensitive nature of the information contained in it.

36. The Internal Audit service is required to contribute information for the satisfactory maintenance of the Register.

37. The Register is to be available for inspection, subject to the personal information disclosure constraints of the Data Protection Act 1998, and subject to the Freedom of Information Act 2000.

38. The register will include the following information:

- (a) the date of the complaint;
- (b) the reference number/file number;

- (c) the nature of the fraud reported;
- (d) the potential costs to the University; and
- (e) the status of the investigation.

Request for References for staff who have been disciplined or prosecuted for fraud

39. All requests for references for individuals known to have been disciplined or dismissed for fraud must be referred to Personnel Services for advice on how to respond in accordance with employment law. In no circumstances must any person provide a reference for a member of staff whom they know to have been dismissed for fraud, without first consulting Personnel Services.

Fraud Policy and Response Plan Review

40. The Director of Finance will review this policy annually, or after each use in an investigation. Any proposed change to the Fraud Policy or the Response Plan must be referred to the Audit and Scrutiny Committee for approval.