

Fraud Response Plan

| Date | Purpose of Issue / Description of Change | Equality Impact Assessment Completed |
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| January 2021 | Initial Issue | |

| Policy Officer | Senior Responsible Officer | Approved By | Date |
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| Head of Governance and Compliance | Chief Operating Officer | Chair, Compliance Task Group | 25 th January, 2021 |

This Procedure will be reviewed in a year

Bangor University Fraud Response Plan

1. Purpose

The purpose of the Fraud Response Plan is to set out the responsibilities, reporting lines and processes by which Bangor University will investigate any allegation of suspected fraud or irregularity. The Response Plan will ensure that all allegations and reports of fraud or irregularities are properly followed up, are considered in a consistent and fair manner and that prompt and effective action is taken to:

- assign responsibility for investigating the fraud;
- take action to minimise the risk of any subsequent losses;
- reduce any adverse operational effects;
- implement damage limitation (to assets and reputation);
- where relevant establish and secure evidence for criminal and / or disciplinary action;
- improve the likelihood and scale of any recoveries;
- liaise with the University's insurers; and
- review the reasons for the incident and improve processes to mitigate against future fraud.

All reported incidents under this Response Plan will be treated as confidential, as far as it is possible to do so, in line with the University's *Public Interest Disclosure (Whistleblowing) Policy and Procedures*.

This Response Plan covers members of staff, students, members of Council, contractors or volunteers who come into contact with Bangor University.

2. Definitions: The Fraud Act 2006

The Fraud Act 2006 defines fraud by breaking it down into three classes:

- Fraud by false representation;
- Fraud by failing to disclose information; and
- Fraud by abuse of position

3. Taking Action

All actual or suspected incidents of fraud should be reported without delay to the Chief Operating Officer, or in their absence to the Director of Finance. Members of staff may also use the University's *Public Interest Disclosure (Whistleblowing) Policy and Procedures* to report their concerns.

Where an allegation of fraud involves the Vice-Chancellor, the Chief Operating Officer and/or the Director of Finance the concern should be reported to the Chair of the Finance & Strategy Committee.

Once an allegation of fraud has been received the procedure in 4. below will be followed.

4. Investigation

[a] Initial Steps

The Chief Operating Officer, or nominee, will acknowledge receipt of any concern and will note the likely timescale of any investigation. The information presented will be considered in order to

determine the form of the investigation to be undertaken. This could result in a decision:

- to investigate the matter internally, which may involve referring the matter to Internal Audit to investigate;
- to refer the matter to the police;
- to pursue the investigation by more than one of these or other means;

In exceptional cases, the Chief Operating Officer, or nominee, has the discretion to decide not to investigate or take any further action. In which case, the complainant and the Finance & Strategy Committee will be informed, in line with reporting procedures in 5 below.

If it is decided to investigate the matter internally, the Chief Operating Officer, or nominee, will then consider how to establish whether there is a *prima facie* case to answer. This consideration will include determining:

- who should undertake the investigation, and whether specialist external advice is required;
- the procedure to be followed;
- the scope of the concluding report;
- where the information relevant to the investigation may be held and securing the information (where relevant).

[b] Internal Investigation

Investigations will not normally be undertaken by the person who initially received the complaint and another independent officer within the University, or the Internal Audit function will be asked to undertake the initial investigation.

The Investigating Officer will be required to undertake the investigation as sensitively and speedily as possible and to submit a written report to the Chief Operating Officer, or nominee.

Upon receipt of the report the Chief Operating Officer, or nominee, in consultation with other members of the Executive, as relevant, will decide whether any further action is required by the University. This could include invoking other established internal processes including disciplinary procedures, undertaking a further investigation or deciding to refer the matter to an external authority (such as the police, HEFCW, or other bodies) for further investigation.

Consideration should be given at this stage to involving the University's insurers, and whether the requirements of the *Reporting a Serious Incident to the Charity Commission* procedure should be followed.

5. Preventing Further Loss / Recovery of Losses

[a] Preventing Further Loss

Where the initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the Chief Operating Officer, in consultation with the Director of Finance and the Director of Human Resources, will decide how to prevent further loss. This may require the suspension of the members of staff pending further investigation. It may be necessary to involve the Director of IT Services and the Director of Property and Campus Services where there is suspicion that suspending a member / member of staff will lead to the destruction or removal of evidence needed to support disciplinary or criminal action.

[b] Recovery of Losses

Recovering losses is a major objective of any fraud investigation, and in relation to any investigation undertaken under this Response Plan the amount of any loss will be quantified.

Where there is a proven case to answer the repayment of losses should be sought in all cases. Where the loss is substantial, the University should obtain legal advice without delay in relation to the need to freeze an individual's assets through the court, pending conclusion of the investigation, and also in relation to the prospects for recovering losses through the civil court where an individual refuses to repay the amount.

The University's insurers should be kept informed in relation to these processes.

6. Reporting Requirements

Any incident falling under this Response Plan should be reported to the Vice-Chancellor, the Chair of Council and the Chair of the Finance & Strategy Committee without delay. In addition, a final report should also be prepared for the Finance & Strategy Committee which outlines:

- A description of the allegation of fraud received;
- The outcome of any internal investigation;
- The extent of any loss to the University and the measures taken to minimise the risk of a reoccurrence;
- A description of steps taken in relation to the individual(s), and disciplinary action taken or in progress;
- Any criminal action taken or in progress;
- Recommended action to strengthen procedures and processes to mitigate against such fraud;
- Any regulations or policies that were breached, and recommended revisions.

Significant cases of fraud or irregularity will be reported to HEFCW as set out in the HEFCW Financial Management Code.

7. Other Relevant Policies

This Response Plan should be read in conjunction with the following University Policies, Procedures and Regulations:

- Anti-Bribery Policy
- Public Interest Disclosure (Whistleblowing) Policy and Procedures
- Financial Regulations
- Gifts & Hospitality Policy
- Policy on Reporting a Serious Incident to the Charity Commission

8. Review of the Counter Fraud Response Plan

The Fraud Response Plan will be reviewed after each reported incident, and at least every three years.