



Counter-Fraud Policy

Introduction

The policy of Cranfield University (Cranfield) is not to countenance fraud by any of its members. As a consequence, it is essential that everyone associated with the University (including members of staff, students, contractors and other third parties) are aware of the risk of fraud, corruption, theft and other activities involving dishonesty, in all its forms.

Cranfield aims to reduce instances of fraud to the practical minimum and to also put in place arrangements that hold any fraud to a minimum level on an ongoing basis. Cranfield's approach to counter-fraud will be comprehensive, cost-effective and professional, using specialist expertise if required.

This policy applies to any fraud, or suspected fraud involving everyone and anyone associated with Cranfield, - including staff, students, and contractors and other third parties.

Definitions

- **Fraud** can be defined as (i) wrongful or criminal deception intended to result in financial or personal gain and (ii) a person or thing intended to deceive others, typically by unjustifiably claiming or being credited with accomplishments or qualities. Both definitions are, clearly, directly applicable to the Higher Education sector.
- **Corruption** can be defined as dishonest or fraudulent conduct, typically involving bribery.
- **Bribery** can be defined as the offering, giving, receiving or soliciting of any item of value (money, goods, favours or other forms of recompense) to influence the actions of an official or other person in charge of a public or legal duty.

Counter-fraud policy objectives

Cranfield's counter-fraud policy has eight key objectives:

- 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*
- Professional *investigation* of any *detected* fraud
- 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

The overriding objective of Cranfield's counter-fraud activity is to ensure that (i) fraud is seen as unacceptable by each and every stakeholder and (ii) counter-fraud is seen to have the unwavering focus of Cranfield as a whole.

Although there is general confidence in the integrity of staff and students there is always the risk of fraud by an individual. This document sets out Cranfield's policy and procedures for dealing with suspected cases of fraud, including corruption, and includes summarised instructions about what to do, and who to contact/notify, should any fraud-related concerns arise. It does not include theft and other criminal/illegal acts involving dishonesty.

At a practical level, fraud is deemed to be deliberate intent to deprive Cranfield (and its associate activities) of money or goods through the falsification of any records or documents (e.g. submission of false invoices, inflated time records or travel claims and/or the use of purchase orders to obtain goods for personal use). This is an important distinction, intended to clarify the crucial difference between deliberate fraud and unintentional error, removing - wherever possible - any potential confusion or ambiguity.

Common types of University and Higher Education Fraud

These can include, but are not limited to:

- Fraud involving cash, physical assets or confidential information
- Misuse of accounts
- Procurement fraud
- Payroll fraud
- Financial accounting fraud, including fees
- Fraudulent expense claims
- Reference, qualification and related employment fraud
- Recruitment and appointment fraud
- Bribery and corruption fraud
- Academic fraud including immigration, admissions, internships, examinations and awards
- Accommodation-related fraud, including preference and payment

Indicators which may point to the existence of fraud include

- Ineffective internal controls;
- Work done for individuals connected to Cranfield, by Cranfield contractors/suppliers;
- Lack of appropriate authorisation for cash disbursements
- Missing documentation to support cash disbursements;
- Alteration of documentation to support prices/fees payable and receivable;
- Charges being made for goods or services not supplied or ordered;
- Credits or refunds without appropriate authorisation and documentation;
- Failure to disclose, where appropriate, any close association with individuals or organisations outside Cranfield;
- Individuals not taking annual leave (thus ensuring no one else ever deals with their work);
- Individuals using assets of Cranfield, including the name, for personal gain without proper authorisation or reimbursement for their use;
- Acceptance of excessive gifts or hospitality from individuals or organisations outside Cranfield (see Anti-Bribery policy)
- Individual behaviour not in line with salary (living beyond means).

Reporting suspected fraud

It is the responsibility of everyone associated with Cranfield (including members of staff, students, contractors and other third parties) to report any fairly based suspicions of fraud or corruption. The

University has a “no retaliation” policy for people reporting reasonably-held suspicions, and concerns can be raised if necessary under the Cranfield’s Whistle-blowing policy, details of which can be found under Section 8, covering associated policies, below.

Suspected fraud must be notified immediately to the Director of Finance and Internal Audit.

Under no circumstances should any individual conduct investigations or interviews to determine whether a suspected fraud is indeed so, unless specifically authorised by the Chief Executive & Vice Chancellor.

Where any acts of fraud or corruption are proven, Cranfield will make every endeavour to ensure that the perpetrator(s) are dealt with to the full extent of the law and Cranfield’s disciplinary policy/contractual processes (where a third-party is involved), and will also take every step to recover any and all losses in full.

If any person obtains information in which possible money laundering is suspected, it is a criminal offence not to report their suspicion. The Director of Finance will notify the police.

Investigation of fraud

Investigation of suspected fraud should be made by Internal Audit and/or the Police depending on the nature and level of the fraud.

All investigations should be carried out in a confidential manner.

In order to protect the reputations of innocent people and protect Cranfield from potential civil liability, the investigation and results should not be disclosed to other than appropriate personnel, law agencies and /or regulatory agencies.

Disciplinary action

At the conclusion of the initial investigation, appropriate action should be taken with legal advice.

Actions may include suspension, termination of employment, permanent separation, prosecution and reimbursement depending on whether the fraud is suspected/proven and individual circumstances. To ensure evidence is protected, individuals concerned may be removed immediately from the premises. In all cases, this must be subject to due process according to the Charter and Statutes of the University.

If the actions above are not taken, the reasons should be obtained in writing from legal advisors.

Fraud with academic implications

Fraud can often be associated with direct financial gain, such as procurement and invoicing fraud. However, in the University/Higher Education sector, academic fraud is a further possibility, including fraud related to immigration, admissions, internships, examinations and awards. Academic misconduct by students is covered in Regulation 25: Academic Misconduct and Penalties and by staff under Ordinance 22.

Conclusion

Formal reports detailing facts, monies involved, investigation procedures, disciplinary actions and conclusions should be prepared by Internal Audit.

Internal Audit will submit reports to the Audit Committee.

Associated Policies

Theft and criminal acts

[Whistleblowing policy and procedure](#)

Academic Fraud <https://www.cranfield.ac.uk/about/governance-and-policies> Regulation 25:

Academic Misconduct and Penalties; Ordinance 22 – [Disciplinary \(Conduct and capability\)](#)

[Anti-Bribery Policy](#)

[Criminal Facilitation of tax evasion policy -Criminal Finances Act 2017](#)

Cranfield University

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