

Counter Fraud Policy

Version Control

Version Number	UEB Sponsor	Approval Body/Officer	Date of approval
3.0	Chief Financial Officer	University Executive Board	24/06/2025

For queries on this policy please contact:

Head of Financial Compliance via email financialcompliance@cardiff.ac.uk

1. Purpose and Scope

- 1.1. This document sets out the approach taken in relation to the prevention, detection and deterrence of fraudulent activity at Cardiff University.
- 1.2. The Counter Fraud Policy defines roles and responsibilities and aims to ensure that Cardiff University and all employees comply with the appropriate counter fraud legislation, not limited to:
 - Fraud Act 2006
 - Proceeds of Crime Act 2002 (as amended) (POCA)
- 1.3. Charities Act 2006 and 2011
 - Bribery Act 2010
 - Criminal Finances Act 2017
 - Public Interest Disclosure Act 1998
 - Economic Crime and Corporate Transparency Act 2023
 - Computer Misuse Act 1990
- 1.4. As a registered charity, the guidance issued by the Charity Commission is also considered.

2. Applicability

- 2.1. This policy is applicable to all staff of the university (including those employed on a permanent, fixed term, temporary contract, or self-employed basis), students, and third parties, not limited to academic partners undertaking business on behalf of the university and seemingly unrelated external individuals and organisations. It is applicable to activities completed in the UK and overseas.
- 2.2. Wholly owned subsidiaries may adopt this policy or establish one of their own. However, the content of any separate policy must adhere to the requirements set out in this document as a minimum.

3. Definitions

3.1. The Fraud Act outlines three key areas:

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

3.2. Further information on fraud definitions can be found in Appendix A.

4. Policy Statements

4.1. The University is committed to the proper use of funds, both public and private and will comply with all relevant legislation (as set out in 1.2). Consequently, it is essential that staff, students, members of the Council or Committees established by the Council, contractors and third parties are aware of the risk of fraud, corruption, theft and other activities involving dishonesty, in all its forms.

4.2. The University has a zero-tolerance stance on fraud and requires staff, students and its partners to always act honestly and with integrity by ensuring that their activities, interests and behaviours do not conflict with these obligations, regardless of their position, and to report all suspicions of fraud.

4.3. The University will put in place, and monitor, proportionate systems, and controls to manage the risk of fraudulent activity and to report and thoroughly investigate any knowledge or suspicion of fraudulent activity.

4.4. If applicable, the University will fully cooperate with and support law enforcement or any other relevant authority with ongoing investigations in the prevention or detection of fraudulent activity.

5. Roles and Responsibilities

Role	Responsibility
Vice Chancellor (VC), advised by the University Executive Board	<ul style="list-style-type: none">• Ensure that the University, Department Heads and Heads of Schools develop and maintain effective controls to prevent fraud.• Take appropriate legal and/or disciplinary action against perpetrators of fraud.• Take disciplinary action against supervisors where supervisory failures have contributed to the instance of fraud.• Report externally to MEDR and/or Charity Commission (as appropriate) any instances of serious weaknesses and fraud.

The University Council	<ul style="list-style-type: none"> • Ensure that the University has a robust and comprehensive system of risk management, control and corporate governance, including the prevention and detection of fraud and other irregularities. • Report externally to Charity Commission any serious incidents. • Report externally to MEDR breaches of Financial Management Code.
Chief Financial Officer	<ul style="list-style-type: none"> • Maintenance of this policy. • Establish and maintain minimum standards and guidance to enable compliance with this policy. • Convene the Fraud Assessment Panel as and when required. • Facilitate information to meet external reporting requirements. • Oversight of training completion and execute controls for non-compliance. • Provide regular updates on financial compliance matters to relevant committees.
Financial Compliance function	<ul style="list-style-type: none"> • Receive and investigate fraud allegations. • Onward referral to Action Fraud, the Police and other organisations as required. • Escalate via the SAR process any cases where fraud is proven and there is an associated proceed of crime. • Maintain adequate records of all fraud investigations. • Act as the 1st point of contact for any financial compliance related queries. • Document the minimum standards and guidance to enable compliance with this policy. • Complete annual risk assessment. • Ensure continuous improvement actions are tracked and progressed when identified. • Create and maintain mandatory training module. • Define, document, and deliver role specific training requirements.

	<ul style="list-style-type: none"> • Produce regular university wide updates on financial compliance matters for review and challenge.
Risk Owners	<ul style="list-style-type: none"> • Ensure local procedures and processes comply with the requirements of this policy. • Where systems are utilised, ensure that system configurations comply with this policy. • Ensure all staff within area of responsibility complete mandatory training and assessment. • Support the creation and delivery of role specific training. • Produce relevant local updates on financial crime risk e.g. training, incidents, control improvements.
2LOD - Risk & Compliance / Assurance	<ul style="list-style-type: none"> • Complete risk-based assurance activity to assess compliance with this policy.
3LOD - Internal Audit	<ul style="list-style-type: none"> • Complete independent and risk-based assurance activity to assess compliance with this policy.
All staff	<ul style="list-style-type: none"> • Report any knowledge or suspicion of fraud via the correct channel • Do not discuss any internally issued reports with any persons other than the Nominated Officer or Delegates. • Follow procedures and processes. • Escalate any potential or identified fraud risks to line management for consideration and where required, remedial action.

6. Fraud Controls

6.1. The following controls are identified as the minimum standards by which Cardiff University manages fraud risk. Each risk owner is required to have documented procedures in place which set out how their area of responsibility meets these requirements.

Reporting

6.2. Where there is suspicion that fraud or has occurred, or is about to occur, then it is essential that the appropriate person within the University is contacted immediately, as documented within the University's Fraud Response Plan. See Appendix D.

6.3. The University will take all reasonable steps to identify and investigate instances of fraud and where those investigations conclude that suspicions are confirmed, it will take appropriate disciplinary action.

- 6.4. In addition, the University is also obliged to report to the Charity Commission (CC) and/or The Commission for Tertiary Education and Research (MEDR) should it be deemed that an investigated case meets with the reporting threshold. These reports will be made in accordance with the University's Serious Incident Reporting Framework.
- 6.5. In cases of confirmed fraud, referrals may be made to the Police, Action Fraud and/or the National Crime Agency (where there are reasonable grounds to suspect associated money laundering).

Training & Awareness

- 6.6. To meet the requirements of this policy and to enable staff to understand their individual obligations, all staff will complete mandatory training.
- 6.7. In addition to the mandatory training, role specific training will be designed and delivered to those individuals or teams deemed to have a greater responsibility for managing financial crime risk at the university.
- 6.8. Training will ensure that staff are familiar with their legal responsibilities, including those under the Economic Crime and Corporate Transparency Act (ECCTA) which is effective from 1 September 2025 (see Appendix B).
- 6.9. Non-compliance with this policy may constitute a disciplinary offence for staff and will be subject to investigation under the university's disciplinary procedures. This may result in disciplinary action, including dismissal.
- 6.10. To both protect students and limit the risk of any potential criminal proceeds being paid to the University, proactive action will be taken to educate both applicants and students at the university in relation to fraud risk.

Record Keeping

- 6.11. The Chief Financial Officer is responsible for ensuring that training completion rates are monitored in line with the Mandatory Training Policy.
- 6.12. The University commits to taking reasonable care to make and keep adequate records which are appropriate to the scale, nature and complexity of the University's business. These records typically include fraud risk assessment records, investigation reports and training records. All such records must be retained for five years from the date on which reliance commences.
- 6.13. Any personal data collected with a view to compliance with this Policy will be processed on the legal basis of Processing that is necessary for compliance with a legal obligation to which the Data Controller is subject. Storage of this data will be subject to appropriate levels of technical and organisational security as will any transfer of data to an official body for the purposes of the prevention and detection of crime.

Monitoring

- 6.14. As part of the University's commitment to developing a robust understanding of the associated risks, a financial crime risk assessment will be maintained by the Head of Financial Compliance that will document the University's risks related to fraud. This will be maintained with periodic reporting to the Audit & Risk Committee.

Horizon Scanning

6.15. The financial crime landscape is ever evolving, as such relevant provisions will be in place to remain compliant and up to date with proposed changes along with intelligence issued by reliable sources. The reviews will include but not be limited to:

- New/amended legislation.
- New/updated guidance.
- Consideration of regulatory censure notices.
- Intelligence on emerging risks/trends.
- Intelligence shared by other universities or similar or relevant organisations.

6.16. An assessment of information will be conducted with any required actions recorded and tracked for completion.

7. Related Policies and Procedures

7.1. This policy shall be operated in conjunction with related University policies and publications, including:

- The Financial Regulations – Cardiff University
- Anti-Bribery and Corruption policy
- Anti-Money Laundering, Counter Terrorist Financing, Financial Sanction Compliance and Tax Evasion Prevention policy
- Counter Fraud Policy – Fraud Response Plan
- Whistleblowing Code of Practice
- Disclosure of Interests policy
- Modern Slavery Act Statement
- Academic Research Misconduct Procedures
- Serious Incidents External Reporting Policy
- Code of External Funding Practice and Serious Incident Reporting Framework
- Public Interest Disclosure (Whistleblowing) Policy

8. Policy Version Control Information

Document Name	Counter Fraud Policy
UEB Policy Sponsor	Chief Financial Officer
Policy Owner	Chief Financial Officer, Finance
Policy Author(s)	Helen Bennett, Head of Financial Compliance, Finance
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Equality and Welsh Language Impact Assessment Date	
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9. Change History Record

Version amended and date of review	Reviewer(s)	Description of Change	Version created
First version, 2017	Stephen Merchant	First version	1.0
1.0	Laura Hallez	Document review	2.0
2.0	Stephen Williamson	Update of responsibilities. Alignment of presentation with AML & AB policies. Not published.	2.1
2.1	Helen Bennett	Clarification of roles and responsibilities. Updated to align with current practices. Document brought in line with Cardiff University standards. Section added on ECCTA 2023.	3.0

Counter Fraud Policy - Appendices

Appendix A - Definitions

Fraud under this policy can include any of the following broad categories:

- A deliberate intent to acquire money or goods dishonestly through the falsification of records or documents.
- The deliberate changing of financial statements, certificates, transcripts or other records by either:
 - a member of the public
 - someone who works or is a volunteer for Cardiff University
 - a current or prospective student at the University.
- Dishonestly acquiring, using or disposing of physical or intellectual property (including materials and equipment) belonging to Cardiff University or to individual members of the organisation for financial or material benefit.
- Exploiting a position of trust within the organisation for financial or material benefit
- The criminal act is the attempt to deceive, and attempted fraud is therefore treated as seriously as accomplished fraud

Other Examples of fraud include and are not limited to:

- Fraud involving confidential information
- Procurement and payment fraud
- Academic fraud including admissions, examinations, awards and research
- Reference and qualification fraud

Fraud Warning Signs

The below provides examples of activity which present an increased risk of fraudulent activity:

- Urgent and unexpected requests to approve large payments ahead of public holidays or late on Friday afternoon – this is a common fraud tactic as detection may be delayed for several days.
- Suspicious activities by individuals, uncharacteristic behaviour or unexpected displays of conspicuous wealth.
- Unexpected requests by email, phone or letter to change payment details or contact details: this is a common fraud tactic, and independent checks must be made before making changes.

- Emails with unexpected attachments and especially from non-work-related addresses which contain obvious language or spelling errors.
- Unsolicited requests for sensitive information, e.g. banking details, IT information, commercially sensitive information, or confidential and/or personal information.
- Documents, data, information or applications that appear odd, altered or tampered with, emails with unexpected attachments and especially from non-work-related addresses which contain obvious language or spelling errors.
- Unexplained changes to a standard procedure or the way somebody works or evidence that existing procedures have been bypassed or short-circuited.

Appendix B – Failure to Prevent Fraud

- The Economic Crime and Corporate Transparency Act (ECCT) is effective from 1 September 2025.
- The act creates an offence which renders **organisations criminally liable** where an employee, agent, subsidiary, or other “associated person”, including someone providing services for or on behalf of the organisation, **commits fraud intending to benefit the organisation**, either directly or as a consequence of their own intended gains, where the organisation did not have reasonable fraud prevention procedures in place.
- It may also apply where the fraud offence is committed with the intention of benefitting a client of the organisation.
- There is no requirement to demonstrate that senior leaders were aware of the fraud taking place for the offence to apply.
- Fraud committed by an individual in their personal life does not meet the corporate threshold.
- Reasonable fraud prevention procedures should be shaped by the following six principles:
 - top level commitment
 - risk assessment
 - proportionate risk-based prevention procedures
 - due diligence
 - communication (including training)
 - monitoring and review

Appendix C – Advice for staff who suspect fraud

Under no circumstances should staff feel that they must tolerate the abuse of systems employed at the University by other staff members, students or outside persons in ways that may be classed as potentially fraudulent.

The University's **Whistleblowing Policy** protects staff who report serious concerns that they believe indicate malpractice or wrongdoing and provides a procedure for the investigation of such allegations. The Whistleblowing Policy lists several areas that such concerns may include, one of which is "financial or non-financial fraud maladministration or malpractice".

The Fraud Response Plan (Appendix D) amplifies this and provides staff with information regarding the reporting lines, authority levels and responsibilities for action in the case of a suspected fraud.

- Staff who reasonably suspect the occurrence of fraud or financial misconduct in the context of the University's activities should report their concerns to the Head of Financial Compliance via email financialcompliance@cardiff.ac.uk.
- Reports submitted should include, to the extent known, the following information:
- A brief description of the alleged irregularity (including any detail available about the potential monetary or reputational impacts);
- Any evidence that supports the allegations;
- The identity of the individual(s) suspected to be responsible or otherwise involved; and
- A description of the risks around potential further damage / loss and timescales for this – including potential impacts on third parties as applicable.
- Where the individual wishing to make a report is a member of the University's staff, they may also discuss their concerns with their line manager or Head of School or PS Department Director, if appropriate, but wherever possible, staff must preserve confidentiality. Discussing unsubstantiated concerns may harm innocent persons.
- If the suspected fraud is thought to involve the Chief Financial Officer, Chief Operating Officer and/or the Vice-Chancellor, the member of staff shall contact the Chair of the Audit Committee via the Head of Internal Audit about their concerns regarding irregularities.

Appendix D – Fraud Response Plan

The University adopts a risk-based approach in how it investigates suspicions or allegations fraud or bribery ("financial misconduct"), and as such may vary its approach in individual cases depending on the assessed level of risk to the University, for example in a financial, reputational, regulatory, or service delivery perspective. This shall be judged individually for each case, based on the information available.

All alleged incidents of financial misconduct must be assessed.

Should other University investigatory or disciplinary processes uncover reasonable suspicions of financial misconduct, the Chief Financial Officer may authorise an additional investigation under the Fraud Response Plan.

Preliminary Assessment

- Following the receipt of an allegation of fraud, bribery or other financial misconduct, the Head of Financial Compliance (or such other person to whom the Chief Financial Officer may allocate responsibility) shall conduct an initial assessment to determine the grounds for the concern or complaint and to establish the appropriate means for dealing with it.
- In order to recommend the course of action to be taken, it may be necessary to estimate the value and risk posed by the alleged misconduct.
- The Head of Financial Compliance, in turn, will notify the Chief Financial Officer once the details of the allegation have been established.
- As part of commencing an investigation, the Chief Financial Officer will consider key other parties who should be informed of the investigation. These may include the following officers:
 - Chief Operating Officer and University Secretary;
 - General Council/Director of Legal Services;
 - Director of People and Culture (in relation to the potential investigation of Cardiff University employees);
- Director of Financial Planning & Performance (in relation to potential fraudulent misappropriation of assets of any of the associated Cardiff University Pension schemes);
 - Director of Research (in relation to potential fraudulent misappropriation of research grant funding and research training grants); or
 - Head of Internal Audit
- The Chief Financial Officer may also convene a Fraud Assessment Panel (FAP) to assist in managing the investigation, comprising staff with the appropriate skills and seniority to effectively investigate the allegations.

Initiation of Investigation

- If the preliminary assessment establishes there is a risk of fraud, bribery or financial misconduct, the matter will be investigated further and a written report prepared. The Chief Financial Officer will usually oversee the investigation and endorse the report. The detailed investigation will be led by an appointed lead officer, usually the Head of Financial Compliance.
- If the Chief Financial Officer's appointment of a lead investigator may be inappropriate for any reason, concerns should be reported directly to the Chief Financial Officer, who will ensure appropriate safeguards are put in place to maintain the integrity of the investigation including, if necessary, the appointment of an independent investigator.

- If, after preliminary assessment, the matter is judged not to require further investigation, it may be dismissed by the Chief Financial Officer. The person who initiated the report may then ask for such a decision to be reviewed by the Chair of Audit & Risk Committee.
- The Chief Financial Officer shall inform the University Secretary and Chief Operating Officer, the Vice-Chancellor and the Chair of the Audit and Risk Committee, if there appears to have been a clear and serious breach of UK criminal law. In such circumstances, the matter may be passed to the Police straight away for further investigation.
- All matters raised formally under this procedure shall be reported to the University Audit and Risk Committee.

Conduct of Investigation

- The team conducting the investigation will be entitled to the full co-operation of all University staff members and have access to all required buildings, systems, records (both manual and electronic) and staff to enable a complete investigation of the suspected financial misconduct. Staff should note that failure to co-operate fully with an investigation may itself constitute grounds for disciplinary action.
- The Chief Financial Officer has delegated to the Director of Human Resources the power to decide whether the emails and electronic records of a member of staff should be accessed. If access is approved, this will be arranged by IT Services.
- In some instances, the investigations may require technical expertise that the investigating team do not possess. In these circumstances, the Chief Financial Officer may decide to appoint external specialists to lead or contribute to any further investigation.
- Should the investigation produce evidence of misconduct by one or more members of the University's staff, then management may decide to initiate action immediately under Statute XV (Academic Staff: Discipline, Dismissal, and Removal from Office).
- In such cases, the investigating team will support the disciplinary investigations as required. The production of a final report may, if appropriate, be delayed until after all disciplinary action has been completed. It is expected that the disciplinary process and suspension should take place at the outset and the disciplinary procedure and run in parallel with the Fraud Response Plan.

Conclusion of Investigation

- Upon the completion of the investigation, a draft report will be produced and agreed by the Chief Financial Officer. Where necessary, this will be discussed with the University Secretary and Chief Operating Officer.
- The report may include recommendations as to further action, having considered factors such as any People issues (unless these have already been addressed), publicity, the scale and seriousness of the fraud and any legal or other implications.
- There are likely to be three possible outcomes:

- If it is determined based on the evidence that no financial misconduct has taken place, then the Chief Financial Officer will ensure that all relevant parties are informed. If any individual(s) have been suspended pending investigation, the Director of People and Culture will be responsible for taking action relating to the lifting of the suspension of staff.
 - If it is determined based on the evidence that a financial misconduct has been or is taking place, the Vice-Chancellor will ensure that action is taken under the University's formal Disciplinary Procedures. The Vice-Chancellor will also agree any action necessary under the University's requirements for reporting to external bodies. The report may recommend that the matter be reported to the Police if this has not happened at an earlier stage and/or that civil action is taken to recover losses. It is advisable to consider at an early stage whether to report the fraud to the police as an internal investigation can impair a criminal police investigation. Interviews under police caution should always take precedence.
 - The investigation may reveal misconduct by staff that does not constitute financial misconduct but merits disciplinary action. Examples would be failure to safeguard University assets or to report suspected frauds. In such cases, the Chief Financial Officer shall refer the matter to the Directorate of Human Resources so suitable action can be taken.
- A report on each suspected fraud shall be presented to the Audit and Risk Committee, along with the findings of any investigations undertaken, at their next meeting following the completion of the investigation. At the discretion of the Chief Financial Officer, an interim report may be presented if an Audit and Risk Committee meeting takes place during an on-going investigation.
 - It may be necessary to report the incident to relevant external bodies, such as HMRC, the Research Councils and other grant making organisations. The Chief Financial Officer (usually acting through the lead officer) shall co-ordinate this.
 - During the initial investigation of any matters raised, all reasonable steps will be taken not to breach confidentiality or to reveal the identity of the complainant until a formal investigation is initiated. Thereafter, confidentiality will be maintained in so far as it is consistent with a fair investigation and with the right of the person or persons being investigated to be aware of the nature of the matter raised.

Appendix E – Action in Cases of Possible Conflicts of Interest

- If the suspected incident involves a member of the investigation team, then such a conflict of interest must be reported to the Chief Financial Officer, who shall decide the appropriate action to be taken.
- Should the Chief Financial Officer, Secretary, Chief Operating Officer or Vice-Chancellor be alleged parties in a suspected fraud, this must be notified immediately to the Chair of Audit and Risk Committee and Chair of Council.

- Should the investigations appear to implicate or involve in any way any person involved with the investigation, or their spouse, partner, family or close friend or associate, they must immediately inform their line manager and ask to be removed from the investigation. This action is precautionary in nature and does not imply improper conduct by any person.
- With the exception of members of the Audit and Risk Committee, lay members of the Council should not be made aware of any information relating to a suspected fraud, to avoid the possibility of them having a conflict of interest if, at a later stage, they are involved in any appeal, by an individual, against associated disciplinary actions.