

# Anti-Fraud Policy and Response Procedure

## 1. Introduction

- 1.1 York St John University conducts its business in a legal and ethical manner. University employees, students, Governors and any other associated person acting on the University's behalf are responsible for acting honestly and with integrity by ensuring that their activities, interests and behaviours do not conflict with these obligations.
- 1.2 York St John University is committed to the prevention of fraud and to the promotion of an anti-fraud culture. University staff, Governors, students and partners are encouraged to report all reasonable suspicions of fraud.
- 1.3 The purpose of this policy is to provide a definition of fraud, define authority levels, responsibilities for action and reporting lines in the event of suspected, attempted or actual fraud or irregularity perpetrated by an individual against the University.

## 2. Definition of Fraud

- 2.1 For the purposes of this Policy, fraud is defined as dishonest, irregular or illegal acts, characterised by a deliberate intent at concealment or false representation, often resulting in the diversion of resources, whether or not for personal gain, for the benefit of an individual or group of individuals at a consequent loss to the University. Resources may include money, physical assets, equipment, or intellectual property. Fraud can also be defined as intending to deceive, typically by unjustifiably claiming or being credited with accomplishments or qualities.
- 2.2 Further information with examples on types of fraud in the University sector is given in the Appendix A to this document.
- 2.3 If employees are uncertain about whether fraud has occurred or is likely to occur, they must seek advice from the Director of Finance (DoF).

## 3. Scope

- 3.1 This policy applies to all University staff, including students employed by the University, as well as associated parties such as members of the Board of Governors, and encompasses University activities conducted both within the UK and overseas. Fraud prevention legislation is applicable to all University employees.

- 3.2 The scope of this policy includes any instances of fraud, or suspected fraud, inclusive of academic fraud (e.g., plagiarism or cheating), perpetrated by staff. This includes but is not limited to employees, members of the University Board, contractors, external agencies engaged in business with the University, and any other entities maintaining a business relationship with the University. Within the context of this policy, "staff" encompasses students serving as University ambassadors.
- 3.3 Allegations of student fraud should be addressed according to the University's Disciplinary Policy and Procedure [Concerns about student behaviour](#).

## 4. Prevention and Detection

- 4.1 The Economic Crime and Corporate Transparency Act received royal assent in 2023. The Act introduces a 'Failure to Prevent Fraud Offence'. Under this measure, an organisation will be liable where a specified fraud offence is committed by an employee or agent, for the organisation's benefit, and the organisation did not have reasonable fraud prevention procedures in place.
- 4.2 The consequences of fraud are costly, time-consuming and disruptive and therefore the University's approach is to place emphasis on the prevention of fraud. Preventative actions also play a key role in detection, through implementation of financial regulations, procedures and other policies as they impact on staff's conduct, including:
- appropriate systems to minimise the opportunity of fraud including the segregation of duties, authorisation requirements etc.;
  - control of access to IT systems;
  - application of formal tendering requirements, approval of suppliers, independent checks on bank detail changes etc.;
  - upholding policy on relevant areas, including purchasing, gifts, conflicts of interest, adherence to the Bribery Act 2010 etc.;
  - the application of the Disclosure of Information: Public Interest Disclosure (Whistleblowing) Policy to encourage staff, students and Governors who suspect fraud to report it;
  - upholding policy on references and verification of relevant qualifications for new staff; and,
  - regular audit of key financial controls by both internal and external auditors.
- 4.3 Members of the University's Executive Board, Senior Leadership Team and Governors are required to ensure that their behaviour is demonstrably selfless and open and that they champion the University's policies on fraud, in particular, conflicts of interest, hospitality, travel, and gifts. These principles also apply to all University staff and contractors acting on behalf of the University.

4.4 The University also recognises its obligations under national security legislation, including the Foreign Influence Registration Scheme (FIRS) established under the National Security Act 2023. Failure by staff to comply with applicable registration requirements may constitute a criminal offence and will be treated as a serious matter. Such cases will be managed in accordance with this Policy in the first instance and may be referred to Human Resources and Organisational Development processes as appropriate.

## 5. Prosecution

5.1 The University's policy is that it will normally report to the police cases of suspected fraud and irregularity. Any exceptions to this policy must be agreed by the Vice Chancellor and reported to Audit & Risk Committee. Failure to comply with this Policy may expose staff to the risk of being personally liable to prosecution. The University's internal Disciplinary Policy and Procedure will also be invoked. In the event that a student also acting as a member of staff should breach this Policy, the University reserves the right to invoke the Disciplinary Procedure for Students.

## 6. Role of Audit

6.1 A continuous review of systems by internal audit may deter attempted fraud and should result in continuous systems and procedural improvements. The risk of fraud should be a factor in audit plans. External audit's reviews of financial checks and balances and validation testing provide further deterrence, and advice about systems.

## 7. Fraud Response Plan

### 7.1 Reporting or raising a concern

- All suspected or actual incidents of fraud concerning a **student** should be reported without delay to the University Disciplinary Officer and will be dealt with under the [Student Conduct and Disciplinary](#) procedures.
- All suspected or actual incidents of fraud concerning **individuals other than students** should be reported to the Director of Finance. If this is not appropriate because they are suspected of involvement then the Vice Chancellor or another member of the Executive Board may be contacted.
- Concerns relating to potential breaches of statutory registration requirements, including under the Foreign Influence Registration Scheme (FIRS), must be reported promptly in accordance with this procedure.

Alternatively suspected fraud may be reported under the University's [Whistleblowing Procedure](#).

The primary contact will initiate action by informing the Director of Finance, who will immediately inform the Vice Chancellor and Chair of Audit & Risk Committee and convene a meeting of the Fraud Response Group. Members of the Fraud Response

Group should include the following members (or their nominees):

- Director of Finance, (Chair);
- University Secretary & Registrar;
- If a member of staff is involved, include the Director of Human Resources and the individual's line manager;
- If a student is involved, it may be relevant to include the Director of Student Success and Learning Services;
- the student's Academic Tutor and / or a representative from the Students' Union; and,
- If a Governor is involved, include the Chair of the Board of Governors.

Initial actions from the group should include:

- Where a member of staff is involved then the Staff Disciplinary Policy and Procedure would be followed. Due to the seriousness of the allegations (Gross Misconduct) then the member of staff would be suspended on full pay<sup>1</sup> until a full investigation has been carried out.
- Where a student is involved, they may be subject to Provisional Action which could include suspension or exclusion.
- It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action. In these circumstances the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the University's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the University. Any security passes, keys, laptops, tablets phones and associated hardware / software should also be returned.
- The Director of Human Resources will be informed and will advise of the best means of denying access to the University, while suspect(s) remain suspended, (for example changing locks, access codes and informing relevant security personnel).
- The Chief Information Officer will be instructed to immediately withdraw permissions to the University's computer systems.
- Where a Governor is involved then the Chair of the Board of Governors will determine the necessary actions.
- The Chair of the Fraud Response Group shall deem whether it is necessary to inform the Police and the University's insurers.
- Taking any immediate action required to limit the damage caused, e.g., cancelling a card, removing the option to pay on line, suspension of system permissions, and taking any action required under the Payment Card Industry regulations etc.

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<sup>1</sup> Excluding any additional allowances which are only due to be paid when duties are actually performed.

## 7.2 Investigation

Fraud is a serious matter and the University is committed to investigating all cases of suspected fraud without regard to the suspected wrongdoer's length of service, position, title, or relationship to the University

Where initial investigation implicates any of the individuals in the Fraud Response Group then the Director of Finance, or the Vice Chancellor will appoint another senior manager to the group.

The Fraud Response Group will, through investigation establish and secure evidence following the rules on the admissibility of documentary and other evidence in criminal proceedings. This may involve the appointment of specialist fraud investigators, internal auditors and/or legal advisers. Should the investigation at any time indicate that the matter should be referred to the police, the matter will be immediately handed over to the police.

Where Fraud is suspected in attempts for payment to be made against a student's account by someone of another name to that student, the Finance team can request the evidence below to aid the investigation:

- the student has to provide name, country, and card details to match attempted payment(s);
- the student has to provide internationally recognised copies of ID evidence of the player as well as documentation to prove the relationship between them;
- where multiple payment attempts are made from different cards, locations, payer names etc., a student will be expected to evidence all of the above for each; and,
- the student to provide a satisfactory reason as to why multiple attempts from different accounts were made.

Audit & Risk Committee will be kept informed of the progress of any investigations relating to impropriety including:

- a description of the incident, including the value of any loss, the people involved and the means of perpetrating the fraud;
- the measures taken to prevent a recurrence; and,
- any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.

This report will normally be presented to the regular meetings of Audit & Risk Committee.

Following the investigation, the relevant bodies detailed under point 3 below should be informed of the outcome.

## 7.3 External Reporting Requirements

In the case of any material suspected or actual fraud or financial irregularity, the University may be required to report this as a Reportable Event to the Office for

Students (OfS).

In the context of material suspected or actual fraud or financial irregularity, 'material' should be understood to mean:

- any fraud relating to the misuse of public funds;
- any other financial fraud exceeding £50,000 in value or 1% of a provider's annual income if that income is less than £5,000,000; and,
- any type of non-financial fraud or attempted fraud regarding which the provider determines to notify its own governing body.

The University should contact the OfS at [regulation@officeforstudents.org.uk](mailto:regulation@officeforstudents.org.uk) to seek guidance.

The Director of Finance will also consider whether the matter should be reported to the University's banks.

#### **7.4 Monitoring and Reviewing**

The Director of Finance will oversee the effectiveness of this Policy and conduct regular reviews to assess its suitability, adequacy, and overall effectiveness.

The University's Audit & Risk Committee operates independently to provide an objective assessment of internal controls. This includes oversight of both Internal and External Audit Services, reviewing audit reports, systems, and procedures to ensure compliance.

To maintain compliance with legislative requirements, Audit & Risk Committee will conduct a three-yearly review of this Policy. Additionally, reviews will be conducted promptly in response to any legislative changes.

The Board of Governors will be informed of actions taken through updates provided in the Annual Report from Audit & Risk Committee to the Vice Chancellor and Board of Governors.

To reinforce fraud prevention measures, internal control systems and procedures undergo regular audits to confirm their practical effectiveness.

Employees are encouraged to report concerns to the Director of Finance directly or by utilising the University's whistleblowing procedures at any time.

## Appendices

### Appendix A: Common types of University and Higher Education Fraud

Fraud can often be associated with direct financial gain, such as procurement and invoicing fraud. However, in the University sector, academic fraud is a further possibility, including fraud related to immigration, admissions, internships, examinations and awards.

Such a fraudulent activity could be very high profile, with potentially significant consequences for the University – either financially or reputationally or both.

Examples of fraud that could arise 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.

### Version Control Statement

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