

Counter Fraud Policy



Swansea University
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Counter-Fraud Policy

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1. Introduction

1.1 Policy aims.

The University is committed to the proper use of funds, both public and private. Therefore, it is essential that everyone associated with the University - including staff, students, employees, contractors and third parties - are aware of the risk of fraud, corruption, theft, and other activities involving dishonesty, in all its forms.

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

This policy considers not only fraud committed against the University, but also fraud under the Economic Crime and Corporate Transparency Act 2023 (ECCTA) and the Failure to Prevent Fraud offence.

This document sets out the University's policy relating to counter-fraud. It aims to provide clear guidance to enable University activity, whilst maintaining robust controls, and to protect employees and the University against fraud, whilst ensuring the continued public trust and confidence.

The policy should be read in conjunction with other anti-fraud policies, which can be found in the final section of this policy.

1.2 Scope

The Policy applies to all Swansea University employees and associated persons and all university activities. This policy applies to both inward fraud and outward fraud.

1.3 Compliance

All University activities must be carried out with the Counter-Fraud and associated policies in mind. Every member of staff and associated person who acts on behalf of, or provides services to, the University is responsible for ensuring that they comply at all times with the Policy.

Compliance is mandatory and abuse of this Policy may be dealt with under the University's conduct procedures. Failure to comply with this Policy also exposes the individual concerned to the risk of committing a fraud.

1.4 Definitions

Fraud is defined as:

- wrongful or criminal deception intended to result in financial or personal gain, and/or
- a person or thing intended to deceive others, typically by unjustifiably claiming or being credited with accomplishments or qualities.

Inward Fraud is defined as fraud against the organisation, where the organisation is the victim of fraud.

Outward fraud is defined as a fraud committed to benefit the organisation.

Associated Person can include employees, agents, suppliers and vendors.

Bribery is 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.

Corruption is defined as dishonest or fraudulent conduct, typically involving bribery..

1.5 Fraud Act 2006

Under the Fraud Act 2006, there are three specific offences:

- Fraud by false representation
- Fraud by failing to disclose information.

- Fraud by abuse of position

Additionally, theft - such as the removal and/or misuse of funds, assets, or cash - is not prosecuted as a fraud but falls under the various Theft Acts.

1.6 Failure to Prevent Fraud offence (ECCTA)

This offence does not cover the traditional issue of fraud against the organisation but shifts the focus to fraud committed by employees or third parties to benefit the organisation.

Organisations can be held criminally liable under the Failure to Prevent offence under the following offences:

- Fraud by false representation
- Fraud by false accounting
- Fraud by abuse of position
- Fraud by failing to disclose information
- Participating in fraudulent business
- Obtaining services dishonestly
- Cheating the public revenue
- Fraudulent trading
- False Statements by senior personnel / Governors

1.7 Policy objectives

The University adopts a multi-faceted approach to fraud. The key objectives of the University's counter-fraud policy are:

- 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 the University's counter-fraud activity is to ensure that fraud is seen as unacceptable by every stakeholder and that counter-fraud is treated as a high priority by the University as a whole.

1.8 Purpose of this policy

This document sets out the University'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 or notify, should any fraud-related concerns arise. It does not include theft and other criminal or illegal acts involving dishonesty.

At a practical level, inward fraud is deemed to be deliberate intent to deprive the University (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.

Outward fraud is deemed to have occurred where a fraud is committed by an associated person to benefit the organisation (or potentially a third-party organisation). To be prosecuted under the failure to Prevent offence, the benefit from outward fraud can be direct or indirect, actual or intended.

2. Accountable Officer and Responsible Persons

2.1 Accountable Officer

The Accountable Officer for Counter-Fraud and all Fraud related matters is the Vice-Chancellor.

2.2 Responsible Persons

Other responsible persons (anti-fraud):

- Chief Financial Officer
 - Anti-Money Laundering Policy
 - Counter-Fraud Policy
 - Criminal Finances Act Policy
 - Fraud Response Plan
- Head of Legal & Compliance Services
 - Anti-Bribery and Corruption Policy
- Director of Governance
 - Whistle-Blowing Policy
- Director of Human Resources
 - All Human Resources policies

2.3 Responsibilities of the employee

The prevention, detection and reporting of fraud is the responsibility of all employees. All employees are required to avoid any activity which may result in or facilitate a fraud occurring and are responsible for reporting fraud to the relevant person, as documented in each individual policy.

Employees are responsible for ensuring they undertake adequate and appropriate training proportionate to their role. Training on counter-fraud and the new ECCTA is available on the Professional HE Services (PHES) website [E-Learning](#) and includes 'Intro to Counter-Fraud' along with other courses. All employees with a Swansea University e mail address can access the PHES e-learning site.

2.4 Responsibilities of the Accountable Officer

The Accountable Officer must ensure that there are reasonable procedures in place with outcome focused principles to prevent fraud, this includes a fraud prevention plan which has procedures proportionate to the risks identified in the risk assessments. These reasonable procedures include:

1. Top level commitment
2. Risk assessment
3. Proportionate risk-based fraud prevention procedures
4. Due diligence
5. Communication and training
6. Monitoring and review

The Accountable Officer may delegate the day-to-day operations to the Responsible Persons, whilst remaining overall Accountable for all fraud-related matters.

3. Counter-Fraud Policy

3.1 University commitments

The University is committed to the highest standards of honesty, accountability, probity, and openness in its governance. As a direct consequence of this, the University is committed to:

- reducing fraud associated with any of its activities, operations, and locations to the practical minimum.
- the robust investigation of any fraud issues that should arise. Any such investigation will be conducted without regard to factors such as position, title, or length of service.

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

The University is committed to maintain a Counter-Fraud risk register. The Counter-Fraud Steering Group actively manages the Counter-Fraud Risk Register, reviewing and updating on a quarterly basis.

3.2 Responsibilities of those associated with the University.

It is the responsibility of everyone associated with the University - including staff, students, employees, contractors and third parties - to report any fairly based suspicions of fraud or corruption.

3.3 No retaliation policy

The University has a “no retaliation” policy for people reporting reasonably held suspicions, and concerns can be raised, if necessary, under the University’s Whistle-blowing policy. See 6.4 for further information.

3.4 Application of the Counter-Fraud policy

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

4. Common types of fraud in a University

4.1 Common fraud

Common inward fraud 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.

Common outward fraud can include, but are not limited to:

- Falsifying documents to create the impression that the organisation is of a higher standard to retain credentials or prevent financial penalties, e.g. environmental credentials or University rankings.
- Manipulating financial documents to over-state the financial health of the University when for instance seeking investment or new contracts.
- Diverting payments to enhance reporting or certain projects.
- Falsely inflating invoices for the organisations benefit or defrauding a customer on the University’s behalf.
- Raising invoices to incorrect entities or locations
- Employees falsifying documents or committing fraud to meet personal performance objectives/ targets and indirectly benefiting the University.

5. Fraud with academic implications

5.1 Potential academic frauds

Fraud is often 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
- Awards
- Research
- Grant awards and spend.

5.2 Potential impact of academic fraud

Such a fraudulent activity could be high-profile, with potentially significant consequences for the University.

In such cases, it is again essential that an appropriate person is contacted at the earliest opportunity, together with other senior University officer(s), as deemed appropriate. As each case of this type is different, it is not possible to produce fully definitive guidance to follow.

Such a fraud may involve numerous stakeholders, including the police and professional bodies, but decisions regarding their involvement generally remain the responsibility of senior University officers. To ensure that the investigation is not compromised, however, it is vital that the number of people aware of the investigation is kept to an absolute minimum. It should also be recognised that some frauds of this nature will inevitably involve the police initiating their own investigation.

6. Counter-Fraud actions

6.1 Initial suspicions of a potential fraud

Where there is suspicion that fraud or corruption has occurred, or is about to occur, it is essential that the appropriate person within the University is contacted immediately; a list of responsible persons is documented in this policy and reference should also be made to the **Fraud Response Plan**.

6.2 What to do

- Report your concerns, as above; reports will be treated as confidential.
- Seek advice from the responsible person.
- Persist if your concerns remain.
- Retain or copy any relevant document(s) for use in any subsequent investigation; it also avoids any documents being accidentally or purposely destroyed.

6.3 What not to do.

- Be afraid to seek advice from the responsible person.
- Confront an individual or individuals with your suspicions.
- Discuss your concerns with colleagues or anyone else other than the responsible person.
- Contact the police directly - that decision is the responsibility of the appropriate person and other senior University officers.
- Suspend anyone if you are a line manager without direct advice from Human Resources.

6.4 No retaliation policy

The University has a no retaliation policy for people reporting reasonably held concerns and suspicions, and any retaliation against such people - including victimisation and deterring/preventing reporting will be treated as a serious offence under the University's disciplinary processes. Equally, however, abuse of process by reporting malicious allegations will also be regarded as a disciplinary issue. Any contravention of the no-retaliation policy should be reported through process contained in University's Whistleblowing Policy.

7. In the event of a known or suspect fraud

7.1 Fraud response plan

In the event of a known or suspect fraud, the [fraud response plan](#) should be followed, along with any other applicable policy.

8. Monitoring and Review

8.1 Monitoring and review

This policy will be reviewed and updated annually or more frequently should a serious fraud occur, or upon a change to UK legislation.

9. Associated policies

- [Anti-Bribery and Corruption Policy](#)
- [Anti-Money Laundering Policy](#)
- [Criminal Finances Act Policy](#)
- [Fraud Response Plan](#)
- [HR Policies](#)
- [Whistle-Blowing Policy](#)

Version control

Version	5.0
Amendments	Section 1.1 inserted para 3 to include ECCTA Section 1.2 clarified both inward and outward fraud Section 1.4 added definition for <i>associated persons, inward fraud, outward fraud</i> Inserted Section 1.6 Failure to Prevent Fraud offence (ECCTA) Section 1.8 para 2 clarified inward fraud and inserted outward fraud Section 2.3 updated to include ECCTA training in para 2 Inserted section 2.4 Responsibilities of the Accountable Officer Section 4.1 clarified inward fraud and inserted outward fraud. Updated for review every 2 years
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