



UNIVERSITY OF  
**LIMERICK**  
OLLSCOIL LUIMNIGH

# **ANTI-FRAUD POLICY**

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# 1 Introduction

## 1.1 Overview and Purpose of this Policy

This document sets out the University of Limerick's ("the University") policy and procedure for reducing incidence of, and dealing with fraud. It helps to ensure that funds and resources are used for the purpose for which they are intended without corrupt interference.

It also guides the University community to carry out their responsibilities in respect of the prevention, detection and reporting of fraud.

## 1.2 Legal and Regulatory Context

This Policy supports the proper execution of the functions of the University. These functions are set out in the Universities Act, 1997. It is also designed to address principles of effective practice in university governance as agreed within the sector<sup>1</sup>.

Implementation of the Anti-Fraud Policy and related procedures supports our commitment to uphold the law for the prevention of crime and corruption, the proper use of public funds and the standards and behaviour of the public service<sup>2</sup>.

## 1.3 Scope

### 1.3.1 *To whom does the policy apply?*

The Policy applies to:

- a. All persons remunerated by the University;
- b. Vendors contracted by the University for goods or services;
- c. Volunteers, appointees including adjunct appointees and other unpaid individuals performing duties or services on behalf of the University, and;
- d. Members of the Governing Authority, who are not otherwise specified in the above categories.

The policy applies to these categories of people, regardless of whether they also fall into a category of persons not covered by the scope of this policy. For instance, students who are also part-time employees of the University.

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<sup>1</sup> Higher Education Authority and Irish Universities Association "HEA/IUA Code of Governance for Irish Universities 2019."  
<sup>2</sup> *Ethics in Public Office Act, 1995; Standards in Public Office Act, 2001.*

### **1.3.2 In what circumstances does the policy apply?**

The Policy applies to any activity involving any of the University's funds, resources and assets and to any funds and resources relating to grants, subsidiary companies, contracts for goods and services that are controlled by the University.

### **1.3.3 Who is responsible for implementing the policy?**

- a. The Governing Authority has ultimate responsibility for the use of the University's funds and resources and for approving this Policy;
- b. The Audit & Risk Sub Committee of the Governing Authority has broad responsibility for monitoring the implementation of the Anti-Fraud Policy and for advising the Governing Authority in relation to fraud reported to the Committee;
- c. Members of the University Executive Committee are responsible for determining controls and preventative measures to combat fraud. They are also responsible for reporting to the Audit & Risk Committee on a bi-annual basis regarding any invoking of the Policy in the University;
- d. Members of the University Executive Committee and senior managers are also responsible for monitoring the implementation of this policy within their areas. This includes being alert to the possibility for fraud, to indications of impropriety, and for establishing and implementing controls to prevent and detect fraud;
- e. The Chief Financial and Reporting Officer (CFPO) is responsible for receiving reports of suspected fraud and for chairing the Fraud Response panel tasked with investigating reports of suspected fraud. Where the CFPO is in any way conflicted in receiving such reports, then the employee should send their report of suspected fraud to the President. Where the President is in any way conflicted in receiving such reports, then the report should be submitted to the Chairperson of the Audit and Risk Committee ;
- f. The Provost & Deputy President, CFPO, the Director, Human Resources, and the Corporate Secretary are the ex-officio members of the Fraud Response panel and are responsible for determining the need for an investigation of suspected fraud in line with the procedure set out in Section 4. Where any of these officers are conflicted, implicated or unavailable, the President may nominate a replacement. In the case where the President is conflicted, then the Chancellor will, having consulted with the Chairperson of the Audit and Risk Committee appoint the Fraud Response panel;
- g. All individuals within the scope of this Policy are responsible for conducting themselves with integrity in the first instance and for not engaging in fraudulent behaviours;
- h. All members of the University community are individually responsible for being alert to the possibility of fraud and for appropriately reporting to the CFPO any suspicions as soon as practical, and;
- i. All individuals within the scope of this Policy are required to cooperate with any investigations in relation to suspected fraudulent behaviour.

## 2 Fraud

### 2.1 Definition

Fraud may be defined as the use of deception by an individual(s) intended to result in their financial or personal gain or financial or personal gain of a third party. It includes any corrupt or dishonest act or omission that causes loss to the University, avoidance of an obligation or results in a benefit or advantage (to the person acting or omitting or to a third party).

- a. Fraud is deliberate as opposed to accidental or negligent.
- b. Fraud includes attempted fraud.
- c. Fraud includes attempts to circumvent measures used to prevent fraud.

While it is not possible to list all categories of fraud, some categories include:

- Theft or misappropriation of University assets
- Submitting false claims for payments or reimbursement
- Accepting or offering a bribe or accepting gifts or other favours under circumstances that might lead to the inference that the gift or favour was intended to influence an employee's decision-making while serving the University
- Accepting an inappropriate commission from, or paying same, to a third party
- Colluding with vendors or third parties in providing preferred pricing or engaging in contract rigging
- 'Off Books' accounting or making false or fictitious entries
- Knowingly creating and/or distributing false or financial misleading reports or data
- Paying of excessive prices or fees where the authorisation for and/or justification such is either not met and/or not documented
- Research Fraud
- Academic Fraud
- Computer Fraud
- Blackmail or extortion
- Bribery and corruption
- Violation of the University's procedures with the aim of personal gain or to the detriment of the University
- Overriding of University systems and controls for the purposes of engaging in fraudulent activity (e.g. sharing of accounts and passwords with 3rd parties, lack of due regard for the segregation of duties)
- Unauthorised or illegal use of confidential or proprietary information.

## 3 Principles for Preventing, Detecting and Reporting Fraud

### 3.1 General Principles

- a. The University is committed to **preventing** fraud from occurring through robust governance and management processes that emphasise integrity and honesty within the university community.
- b. The University uses any and all legal and practical means to **detect** and investigate fraud within the University.
- c. The University strives for a culture of transparency and accountability, and in line with this all confirmed incidents of fraud are **reported** to the University's Auditors and declared in the University's Annual Governance Statement as required by the Code of Governance for Irish Universities. The University is also required to provide its external auditors and the C&AG with any particulars requested in relation to actual, suspected, or alleged fraud. The Audit & Risk Committee, Governing Authority, the Higher Education Authority and the Charities Regulator are informed of confirmed cases of fraud. This allows controls to be implemented to prevent recurrence and lessons to be learned.
- d. Proven instances of fraud may result in:
  - For members of the Governing Authority - initiation of procedures for breaches of the Code of Conduct for Members of the Governing Authority,
  - For employees, and individuals working on behalf of the University – initiation of procedures for breaches of the Code of Conduct for Employees of the University and/or the Statute on Employee Disciplinary Matters, Suspension, Termination and Capacity,
  - For employees of, individuals or organisations contracted for goods and/or services - initiation of any relevant contract performance/grievance procedures up to and including termination of the contract.
- e. The University may take action to seek repayment of any losses or redress for any damage caused as a result of fraud.
- f. The University will refer incidents of fraud to An Garda Síochána where appropriate.
- g. The University expects all individuals within the scope of this Policy to be aware of the requirements of their terms and conditions of employment, relevant codes of conduct for their position, the policies and procedures of the University and law and regulation in relation to fraud and corruption.

### 3.2 Prevention

- a. The University is committed to fostering a culture of integrity and honesty where fraud is not tolerated. Fostering such a culture means that the University's strong approach to the prevention of fraud is implemented through its governance and control procedures including the consideration of fraud in the

assessment of organisational risk.

- b. The Executive Committee is empowered by the Governing Authority to implement whatever controls it deems necessary to prevent fraud.
- c. Individuals with management responsibility must be aware of the possibility of fraud and alert to any opportunities for fraudulent activity.
- d. Individuals with management responsibility are also responsible for ensuring that their direct reports are aware of their responsibilities in respect of this Policy.

### **3.3 Detection**

- a. In the first instance, the University depends upon the vigilance and integrity of the University community to detect fraud.
- b. The University can and will use all legal means, checks and balances to detect fraud.
- c. Where an individual within the scope of this Policy suspects fraud, this must be reported without delay:
  - By written report to the CFPO (in line with the procedure set out in Section 4) or,
  - Under the University's Protected Disclosures Policy.

Anonymous reports are discouraged, but where supported by evidence deemed sufficient by the Fraud Response panel, may form the basis of an investigation.

- d. Where the CFPO receives a report of alleged or suspected fraud, a determination will always be made by the Fraud Response panel and formally recorded as to whether an investigation is warranted.
- e. Making an allegation of fraud does not confer any additional rights or responsibilities on any individual(s) within the scope of this policy, or negatively affect any existing rights or responsibilities.
- f. Individuals accused of fraud are treated fairly and equitably and any investigation will be conducted in a transparent and impartial manner. Investigations are confidential insofar as possible for the protection of the reputation of the University and the subject of the investigation.
- g. Individuals who, knowingly or negligently: obstruct an investigation; falsely report fraud, cover up, and/or; fail to report fraud are considered accessories to the fraud after the fact. This may also apply to threats or acts of retaliation made against individuals reporting fraud.

### **3.4 Reporting**

- a. The Fraud Response panel reports all incidents of fraud, suspected or alleged fraud to the President and Audit & Risk Committee annually.
- b. The Fraud Response panel reports the conduct and outcome of any investigations to the President and Audit & Risk Committee.
- c. Where there is no evidence that fraud has occurred, the anonymity of the

subject(s) of any report will be preserved and no detail of the allegation retained, only the fact that such a report was received and any recommendations made.

- d. Where an investigation determined that there is evidence of fraud the CFPO reports that fact and any consequences thereof to the President and to the Audit & Risk Committee.
- e. The President reports incidents of fraud to the Higher Education Authority, the Charities Regulator and, on the advice of the Fraud Response panel, An Garda Síochána.

### 3.5 Guidelines for Combatting Fraud

Each member of the University community has a duty to help safeguard the University's resources and to assist with the prevention, detection and reporting of fraud. A simple guideline for helping to combat fraud is as follows:

a. Employees **should**:

- Report any concerns they have to their line manager or other appropriate manager,
- Persist and escalate their reporting if their concerns remain,
- Report any identified opportunities for fraud,
- Record and retain any relevant documents relating to their concerns<sup>3</sup>,
- Act in good faith and cooperate with the procedures set out in this policy.

b. Employees **should not**:

- Be afraid to seek advice from their line manager or the Finance Department,
- Confront the individual(s) with their suspicions,
- Discuss their concerns with colleagues or anybody other than their line manager or other appropriate manager,
- Contact the Gardaí directly.

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<sup>3</sup> Within the bounds of confidentiality, acceptable usage of university systems and data protection.



## **4 Procedure for Investigating Suspected Fraud**

### **4.1 Receipt of a Report**

- a. Where the CFPO (or in his/her absence, another member of the Fraud Response panel) receives a written report of suspected or alleged fraud or other written notification that this policy may have been breached, this procedure commences.
- b. The CFPO acknowledges receipt of the report in writing to the sender where possible.
- c. The CFPO advises the other members of the Fraud Response panel of the receipt of a report and arranges a meeting of the Group to determine a course of action as soon as practicable following receipt of a report of suspected or alleged fraud/breach of this Policy.
- d. The Fraud Response panel will arrange to obtain and secure all relevant information and documentation material to the report to prevent destruction of evidence.
- e. The Fraud Response panel determines if an investigation of the suspected or alleged fraud is warranted. In making this determination, the Fraud Response panel may consult with any party and seek any information that is available within the University and seek any external expertise that they require.
- f. Where the Fraud Response panel determines that an investigation into suspected or alleged fraud is not warranted, the Group will provide a written report to the President and Audit & Risk Committee outlining why an investigation will not take place.
- g. The Fraud Response panel provides a written report to the President and the Audit & Risk Committee outlining its decision where it determines that an investigation should take place.

### **4.2 Investigation**

- a. Where the Fraud Response panel determines that an investigation should take place, the Group may engage the services of an external expert. Where the decision is to use the University's Internal Auditor to conduct an investigation of the allegation, then
  - The investigation is conducted within the existing audit plan where possible.
  - The CFPO will commission additional engagement where this is not possible.
- b. The CFPO informs any individuals alleged to have committed fraud that an investigation is being carried out. The Fraud Review panel may defer informing such individual(s) until such time as it has obtained and secured all relevant information and documentation as outlined in paragraph 4.1 above. This measure may be taken in order to prevent any destruction of evidence.
- c. The investigator chosen by the Fraud Response panel:
  - Investigates the circumstances of the suspected or alleged fraud promptly;

- Protects the interests and reputation (current and future) of the University and the subject(s) of the investigation throughout;
  - May access any and all information, testimony and expertise required to conduct the investigation;
- d. At the conclusion of their investigation, the investigator submits a written report to the Fraud Response panel which sets out:
- Their findings in respect of the alleged fraud,
  - Their recommendations regarding disciplinary procedures, civil action and reporting to An Garda Síochána,
  - Any recommendations regarding the prevention of occurrences of similar instances of fraud.
- e. The Fraud Response panel considers the investigator's report and determines whether they accept the report and the recommendations contained therein.
- f. Where the Fraud Response panel accepts the report, they take appropriate action, based on their determination (initiating disciplinary procedures through the University's normal channels for such procedures and/or referral to An Garda Síochána for instance).
- g. Where the Fraud Response panel does not accept the report, the matter is referred to the President and the Audit & Risk Committee to determine an appropriate course of action.
- h. The CFPO reports the outcome of the investigation to the President and the Audit & Risk Committee in line with the policy provisions for reporting set out in Section 3.4.

## 5 Related Documents

The University has a documented suite of policies and procedures that set out how the University handles governance and controls. This Policy forms part of that framework and should be read in conjunction with the following:

- a. Risk Management Policy;
- b. Protected Disclosures Policy & Procedures;
- c. Codes of Conduct for Members of the Governing Authority and employees;
- d. Research Integrity Policy;
- e. Terms and conditions of employment and other contractual obligations;
- f. Policies and Procedures for Recruitment and appointments;
- g. Policies relating to Financial management & reporting;
- h. Internal Audit charter;
- i. Contract Signing Authority Policy;
- j. IT Acceptable Usage Policy and IT Security Policy;
- k. Policy for Conflicts of Interest.

## 6 Document Control

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