

Kwame Nkrumah University of Science and Technology, Kumasi

# Anti-Fraud POLICY





# **KNUST ANTI-FRAUD POLICY**



**KWAME NKUMAH UNIVERSITY OF SCIENCE  
AND TECHNOLOGY, KUMASI-GHANA  
QUALITY ASSURANCE AND  
PLANNING UNIT**

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# FOREWORD

The Kwame Nkrumah University of Science and Technology, Kumasi exists to advance knowledge in science and technology through creating an environment for undertaking relevant research, quality teaching, entrepreneurship training and community engagement to improve the quality of life. In order to achieve this mission, there is the need to have an **Anti- Fraud Policy**.

The rationale for this policy is to guide the development and maintenance of a culture that establishes controls that will aid the prevention and detection of fraud for everyone associated with the University

The University is grateful to all those who ensured the initiation, development and approval of this Policy.

**PROFESSOR (Mrs.) Rita Akosua Dickson**

VICE-CHANCELLOR

KNUST

# ACKNOWLEDGEMENT

As part of the strategic planning mandate of the Quality Assurance and Planning Unit (QAPU), University policies are initiated and proposed for approval by the Academic Board. The Unit in collaboration with the Office of Grants and Research (OGR) therefore initiated the preparation of the **Anti-Fraud Policy** and submitted for approval by the Academic Board.

The QAPU is grateful to Prof. R. C. Abaidoo (Director), Mrs. Amanda Owusu-Asare (Assistant Registrar) Mrs. Abigail Anderson (Assistant Registrar), Mrs. Hannah Adom Eyison and the entire staff of OGR for their invaluable contributions to this policy. A special thanks goes to the Building Stronger Universities Project (BSU111) for providing financial and technical support for developing grants related policies in the University including the **Anti-Fraud Policy**.

Lastly, we wish to appreciate the work of the Review Committee and all staff of the University who contributed in several ways to the development and approval of this Policy

**PROFESSOR JERRY JOHN KPONYO**

HEAD

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November, 2020

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## 1.0 INTRODUCTION

As an institution of higher learning of global repute, KNUST abhors all forms of fraud and dishonesty. Staff, researchers and contractors are required to act honestly and with integrity at all times and to safeguard resources under their stewardship.

This policy is intended to guide the development and maintenance of a culture that establishes controls that will aid the prevention and detection of fraud. It is essential that everyone associated with the University is aware of the risks and implications of fraud and abetment, corruption, theft and other dishonest actions.

The University considers fraud and suspected fraud in all forms as a serious matter, warranting investigation. This policy document sets out the University's procedures in cases where fraud is uncovered, suspected or reported.

The Registrar shall have overall responsibility for all matters related to fraud, suspected fraud in all forms, its investigations and management.

## **2.0 PURPOSE**

The purpose of this policy is to provide protection to all assets and financial interest of KNUST. This is also to ensure a harmonized process of identifying, investigating and resolving all fraudulent activities and the promotion of total consciousness of the responsibility to report fraud and suspected fraud activities to the appropriate authorities.

### **3.0 DEFINITION**

For the purpose of this policy, fraud is defined as cheating, lying or deliberately withholding information or false representation of information, often resulting in the diversion of resources, for a recognizable benefit to an individual or group of individuals at a consequent loss to the University. The resources can be monetary or non-monetary including but not limited to physical assets, equipment, intellectual property and in some instances, patronage of nepotism. Fraud can also be defined as intending to deceive, typically by unjustifiably claiming or being credited with accomplishments or qualities.

## 4.0 SCOPE OF THE POLICY

### 4.1

This policy guides decision on fraud or alleged fraud, which involves members of staff including members of the University Council, or any other person(s) or outside agencies doing business with the University. List of fraud include but not limited to, false documentation, direct and indirect actions to misuse entrusted resources for private gain, sexual exploitation, and the like.

### 4.2

Information about the policies and procedures associated with academic fraud can be found in the **University's Teaching and Learning Policy (KNUST Policy 0002)**, particularly Item 3.6 **Academic Dishonesty and Plagiarism**.

### 4.3

In student fraud cases, the **Statutes of the Kwame Nkrumah University of Science and Technology (KNUST), Kumasi**, October 2004, Statute 57 (c) (x) **Penalty for Breach of Discipline** and the **KNUST Students' Guide and Code of Conduct**, Second Edition, July 2017 (Page 94) - **Types of Sanctions** – Schedule D (**Discretionary Sanctions**) should be referred to.

## 5.0 POLICY OBJECTIVES

The policy seeks to adopt measures that are both preventive and punitive. Fraud in all its varied forms lead to loss of resources, reputational damage or inequity within the University system. This underscores efforts at stemming out all forms of fraud.

The specific objectives of the policy are as follows:

- a) Establishment and maintenance of a 'zero-fraud' culture;
- b) Deter fraud in all its varied forms;
- c) Promote measures that prevent and eliminate fraud;
- d) Support measures for early detection and rapid investigation of fraud;
- e) Protect the identity/identities of whistleblowers at all levels;
- f) Rapidly investigate and dispense of allegations of fraud;
- g) Support disclosure efforts at eliminating fraud, including disclosure of fraud investigation reports on annual basis;
- h) Instill internal disciplinary actions against persons involved in fraud, including legal actions or prosecution in the law courts;
- i) Establishing a system to continually educate members of the University community on fraud, its consequences and sanctions.

## **6.0 POLICY MEASURES**

### **6.1**

The University is absolutely committed to the highest standards of honesty, accountability, probity and openness in its governance. As a direct consequence, the University is committed to (i) discouraging fraud associated with any of its activities, operations and locations, and (ii) undertake robust investigation of any fraud or suspected fraud issues that comes to its notice or is reported.

### **6.2**

The University disciplinary procedures shall be followed where any act of fraud is established. Where necessary the matter would be reported to the Police for the law to take its course. The University will also take reasonable steps to retrieve any losses in full.

## **7.0 ETHICAL CULTURE AND COMPLIANCE CONTROLS**

### **7.1**

Members of the University Council and senior members are required to ensure that

their behaviour is exemplary, self-sacrificing and transparent to promote the University's concept of accountability in respect to integrity and stewardship of resources. These principles also apply to all University staff and outside agencies acting on behalf of the University. The University's Audit Committee shall provide an independent and objective view of internal controls by overseeing both Internal and External Audit Services, review audit reports, systems and procedures to ensure compliance.

### **7.2**

To a large extent, management systems that are well structured reduces opportunities for fraud. Members of staff must therefore familiarize themselves with the University's policies and procedures as listed in Section 8.1 below and on the University's website, in order to curb any irregularities.

### **7.3**

Suspicion of fraud in any form should be reported as soon as detected to designated officers assigned to handle allegations of Fraud as listed in Section 10.2. The reporter must take note of all relevant information relating to venue, date(s) and time(s) and keep copies of any supporting

documents. No direct confrontation with the alleged culprit, direct engagement with the Police or any other person(s) other than those listed as designated officers to handle Fraud in this Policy are permitted.

#### **7.4**

Senior Management, especially those who are in charge and control finances, budgets or manage resources should stay abreast of related information in these sectors and earmark any known external influences that are likely to raise red flags within their units.

#### **7.5**

The University's Internal Audit team shall embark on regular reviews of internal structures and make recommendations based on findings to the Audit Committee to reduce fraud.

#### **7.6**

External Auditors of the University expect yearly statement update in a Letter of Representation from the Chairman of Council to give assurance that full information on material frauds have been revealed to the auditors.

#### **7.7**

Background checks (including references and qualification verifications) on persons

seeking appointment at the University, as outlined in the KNUST Recruitment Policy, will be conducted prior to offer of appointment.

#### **7.8**

Child Abuse Criminal Record checks will be conducted in instances where a staff needs to work with children, young or vulnerable adults.



## **7.9**

Suspected recurrent behaviour among staff who handle financial and contractual transactions shall duly be investigated as these could be pointers of fraudulent activity. Observations of drug, alcohol or gambling addiction, should be reported to the line manager of the staff member involved for immediate attention to help minimize risk to the individual and the university community.

## **7.10**

Any University employee may have confidential discussion about concerns of possible fraud with the officers listed in Section 9.2 below and will be advised of the appropriate procedure to report the allegation. Any retaliatory actions would be treated very seriously, with those retaliating liable for disciplinary action.

## **8.0 EXAMPLES OF ACTIVITIES, ACTIONS THAT CONSTITUTE FRAUD IN THE UNIVERSITY**

Fraud is generally linked to direct financial gain, but there is possible fraud in academia in relation to admissions, examinations, grants and awards and these could have negative implications for the University. The following actions shall constitute fraud:

- Stealing involving cash, physical assets or divulging or accessing confidential information, without the necessary authorization;
- False or misleading accounting and computations, including needy students' funds and fees;
- Compromising and deliberately overlooking procurement policies and procedures;
- Payroll manipulation and inclusion or deletion of names and remuneration;
- Credit card and cheque misrepresentation and theft;
- Identity fraud;
- Forgery;
- Abuse of position;
- Unauthorized access to University data, data management systems including hard and software and propriety applications
- Installation and use of ransomware and phishing on and across the University network;
- Student admissions and staff appointments fraud;

- False representation;
- Conflict of interest and consultancy fraud;
- Bribery and corruption fraud;
- Academic dishonesty (e.g. plagiarism or false research, and examination fraud);
- Research-related fraud;
- Fraud regarding funding engagements and collaborative projects with other institutions;
- Intellectual property theft;
- Accommodation-related fraud, including preference and payment.

## 9.0 RELATED POLICIES AND PROCEDURES

### 9.1

The University has a number of established policies, procedures and practices which provide guidance to the controls in place to prevent specific types of fraud.

This policy is operationally linked to the following:

- The Statutes of the Kwame Nkrumah University of Science and Technology (KNUST)
- Policies and procedures on data protection  
Staff Recruitment Policy
- KNUST Accounting Policies and Procedures Manual
- Ethics Policy
- Scientific Misconduct Policy
- Teaching and Learning Policy
- KNUST Students' Guide and Code of Conduct
- Financial Conflict of Interest Policy

All these policies and procedures may be accessed on the University's website.

## **10.0 REPORTING PROCEDURE FOR FRAUD**

### **10.1**

Members of the University community including staff, students, contractors or institutions having dealings with the University, may report Fraud to those listed in Section 10.2. Any report received, will be treated with urgency and properly investigated.

### **10.2**

A follow up response on any alleged incidence of Fraud shall be dependent on the source of the report, the gravity of the fraud and the position of the alleged culprit or culprits involved. Any member of the University community who suspects fraud but with no clear evidence, should first contact his/her line manager, unless the line manager is also believed to be an accomplice to the suspected fraud. In that instance, he/she should contact any of the following three officers: The Registrar, the Finance Officer, or the Deputy Registrar (Human Resources).

### **10.3**

If the reporting line is found to be inappropriate, then in accordance with the Republic of Ghana Whistleblower Act 2006 (Act 720), staff, students, contractors or institutions having dealings with the University, who reasonably suspect fraudulent activity, can report directly to the Vice Chancellor without fear of victimization.

### **10.4**

Once an allegation is made, the Registrar, the Finance Officer, together with the Deputy Registrar (Human Resources), will take a decision and

respond appropriately. Depending on the gravity of the alleged Fraud, the Registrar may set up a committee to investigate the suspected fraudulent act. He or she, together with his/her team, will take up decisions concerning Police or other external professional bodies involvement in a given circumstance.

If a committee is set to investigate the alleged fraud, a Senior member who is considered to be experienced and independent of the activity related to the alleged fraud, will be appointed as Chairman to take charge of the investigation.

He/she will be given the terms of reference on how to proceed with the investigation. The Chairman may decide to involve other members of staff, including legal officers and internal auditors as deemed appropriate, to assist with the investigation.

## **10.5**

In order not to alert the staff against who an allegation is made, the member of staff who reported the issue will be asked to keep the matter confidential.

## **10.6**

Investigations regarding any alleged Fraud shall be conducted in line with the Statutes of the University. The member(s) of staff against whom a report in relation to fraud is made, will normally not be contacted in the first instance in order to avoid concealing of information.

## **10.7**

The objectives of following the Fraud Response and Investigation Procedure will be:

- To establish the facts surrounding the alleged fraud and determine the extent of losses
- To curtail further losses;

- To notify the University's Internal Auditors;
- To acquire the needed evidence for criminal and disciplinary action;
- To consider whether to involve the Police in the investigation;
- To be able to retrieve the losses;
- To take action against perpetrators of the said fraud;
- To undertake post incident review to make recommendations to prevent future, occurrence.

Where there is prima facie evidence of criminal activity and it is in the public interest to do so, the matter will usually be handed over to the Police for investigation in the first instance and the University will subsequently act under their direction. Where evidence, or other relevant information, is to be shared with another body, careful consideration should be given to any data protection (confidentiality) requirements and whether expert advice should be sought on this.

## **10.8**

Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the committee Chairman will report this to Vice Chancellor through the Registrar, who may take a decision to invoke the University's relevant disciplinary procedures from the Statutes of the University. This may include but not limited to suspension of the individual or individuals involved in accordance with the Statutes and also removal of access to files, systems and offices.

Given that an allegation of fraud may be unfounded in a given circumstance, care and tact needs to be employed in interviewing as well as decisions regarding suspension. Where concerns are raised in good faith, there will not be any retribution even if they turn out to be mistaken. However, where it is eventually proven that allegations made against a staff is malicious and unfounded, the person raising the concern will be investigated and may be subject to disciplinary action.

## **10.9**

Should the allegation suggest that there are enough reasons to suspect that a supplier to the University, either as an individual (or a group) employed by a supplier, or any party, may be attempting to commit fraud, the Head of Procurement in consultation with the Finance Officer, will decide on the appropriate actions to take, depending upon the nature and gravity of the fraud.

## **10.10**

The Vice Chancellor will be kept informed, unless she/he is a subject of the investigation. Where the suspected incident is significant or the Vice-Chancellor is the subject of the investigation, the Chairman of the University Council will be provided with regular updates throughout the entire course of the investigation by the Chairman of the Investigation Committee.

## **10.11**

The Secretary to Council will notify the Chairman of Council where required.

## **10.12**

On completion of the investigation, a written report, prepared by the investigation Committee will be provided to the Audit Committee and External Auditors, and will include:

- How the fraud was discovered;
- A detailed account of the incident, the quantum of the loss, the individuals involved, and the means by which the fraud was executed;
- The disciplinary actions imposed on the perpetrator;
- Measures taken to curtail recurrence and to retrieve losses;
- Recommendations to strengthen future responses to fraud.



The Registrar's Office will maintain a register of all potential allegations of fraud made in accordance with this policy. An annual report on fraud will be made available to the Audit Committee.

### **10.13**

The Deputy Registrar, University Relations Office (URO) or his/her designate should be briefed on any case that has the potential to attract the Police or media attention.

## **11.0 REVIEW**

### **11.1**

The Quality Assurance and Planning Unit of the University, will be responsible for reviewing and updating this policy. The policy document will be reviewed every three (3) years or when necessary.

**QUALITY ASSURANCE AND PLANNING UNIT**

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