



Financial Misconduct

A guide to prevention, reporting and investigating

Status	Final
Final Approval (UET)	12 May 2026
Final Approval (F&GPC)	N/A
Final Approval (ARC)	N/A
Court Approval	N/A
Publication on website	Yes – May 2026

Last Reviewed: April 2026

Next Review Date: April 2027

Introduction

'Financial misconduct' should be taken to cover 'fraud, corruption, theft, dishonesty or deceit by an employee, whether at the expense of the University, other employees, students or any other body or organisations', as well as actions or inactions which fall below the standards of probity expected in public life.

Like any large organisation, the University expects the highest standards of conduct from its staff. Being a charitable body, in receipt of public funds, the University has obligations which go beyond those applying to commercial companies. In particular, it has a duty to:

1. protect public assets;
2. ensure that management and other practices accord with the standards of probity expected of public sector bodies; and
3. ensure that the resources available to it are used only in furtherance of the University's objectives as an educational body. Fraud, corruption or any other kind of financial misconduct cannot be tolerated.

This Guide applies to all members of staff. Staff are expected to comply with the principles of conduct set out in Section 1. These principles are intended to apply in particular to the conduct of financial and related business, but when these are applied in the same way, they should be regarded as having a general application, to the full range of University activity.

If a member of staff has reason to suspect that financial misconduct is taking place (or has taken place) they are expected to bring it to the attention of University authorities as described in Section 2. Any such allegations will be investigated and dealt with in accordance with the procedure summarised in Section 3.

In any event, the University itself has in place procedures for monitoring and checking all aspects of its business with a view to preventing fraud, corruption or any other matter of financial misconduct. Various other bodies, including in particular the University's external and internal auditors and the Scottish Funding Council, play a role in this regard.

1. Principles of conduct

No University activity must be undertaken that is known to breach of the laws and regulations of any country. Staff knowingly or recklessly disregarding this prohibition may be subject to disciplinary action, up to and including dismissal.

Members of staff are expected to observe the following principles of conduct in all financial and related transactions. As noted above, these principles should also be taken to have a more general application to other forms of University activity.

- (a) Decisions must be taken solely in terms of the University's interests. Personal relationships, friendships, family links or personal advantage must not influence decisions. Similarly, members of staff must not place themselves under any financial or other obligation to outside individuals or organisations, which might influence them in the performance of their University duties. Any conflicts of interest in these respects must be declared to the relevant head of department or equivalent officer. Where the conflict of interest is judged to be material, an individual with such an interest may be asked to withdraw from the decision-making process.
- (b) Value for money must always be a prime criterion in any transaction. This does not mean, of course, that a product or service should be purchased only by reference to price; other factors, including for example quality and fitness for purpose, are relevant considerations.
- (c) All members of staff have a responsibility to protect the assets and integrity of the University, and are expected to take all reasonable steps to safeguard and protect the physical assets and other property of the University (including cash and equipment).
- (d) University equipment and other facilities should not be used for personal advantage, except as may be agreed by the relevant head of department or equivalent officer in accordance with policy and procedures in force from time to time.

- (e) No monetary reward or gifts in kind can be accepted from outside individuals or organisations, except for gifts with minimal value (for example, calendars or diaries). Members of University Court and staff may accept meals and equivalent hospitality only in the normal course of business and only when the hospitality is of a reasonable level. When a gift is received, its receipt should be reported to the relevant head of department; the gift should then either be recorded as University property or sold (the proceeds going into general University funds). Staff are not allowed to accept gifts from students of the University.

Members of Court and Staff are required to record any gifts accepted in the central register that is maintained by the University Court Office.

- (f) Members of staff must comply at all times with the University's [Financial Procedures](#) and [Financial Regulations](#). In particular, heads of department and others responsible for financial management must ensure that there is a proper separation of duties (an integral element of financial control), and that staff who play key roles in purchasing and other financial transactions understand and comply with the [Financial Procedures](#) and [Financial Regulations](#).
- (g) Members of staff are accountable for their part in any financial or related transactions, and in any case must be as open as possible about all the decisions and actions that they take, being prepared to give reasons for their decisions.

2. Reporting Suspected Financial Misconduct

The University recognises that it is rarely easy for anyone to report suspected financial misconduct. It recognises, for example, that a person suspecting financial misconduct might be reluctant to take steps which could lead to disciplinary or legal action being taken against a colleague; similarly, the University recognises that staff suspecting financial misconduct might be deterred from reporting it by a fear that they might themselves be victimised.

Nonetheless, the University is committed to taking all reasonable measures to protect the integrity of its business and other activities and it therefore must be given the opportunity to investigate any suspected instance of financial misconduct. It might be that an allegation proves to be unfounded but it is in everybody's interests, and in the interests of the University as a whole, that all allegations are investigated and properly resolved. For the avoidance of doubt, the University affirms that, unless an individual is acting maliciously, anyone raising concerns about suspected financial misconduct is acting responsibly and properly. This is true even when the concern turns out to be due to a misunderstanding or is otherwise found to be groundless.

Against this background, every member of staff has a role to play in protecting the integrity of the University's business and other activities, and all staff must regard themselves as under an obligation, and indeed an instruction, to report any suspected financial misconduct.

If you suspect financial misconduct is taking place, or has taken place, you should report your suspicions immediately to your Line Manager or directly to the Financial Controller. All allegations will be taken seriously and investigated carefully in accordance with the procedure set out in Section 3.

If you report suspected financial misconduct, the University will take every possible step to protect you from any form of victimisation. No action will be taken against anyone who raises a genuine concern, even if it proves to be unfounded. The University does however have a duty to protect its employees from malicious complaints, and you should be aware, therefore, that disciplinary action will be taken against you if it is found that you have intentionally acted maliciously in bringing forward an unfounded allegation.

To help protect you from any form of victimisation, the University will take all reasonable steps to ensure that your identity is kept secret (except insofar as disclosure of your identity may be necessary for the purposes of carrying out a full and proper investigation or for the purposes of taking appropriate action against a person who is found to have committed some form of financial misconduct).

3. Investigating Allegations of Financial Misconduct

All allegations of financial misconduct will be investigated and resolved in accordance with the procedure summarised below:

- (a) On receipt of a complaint from a member of staff, the Financial Controller will initiate an immediate investigation. The Financial Controller will meet with the individual who raised the matter to establish the basis of concern.
- (b) After establishing the basis of the concern, the Financial Controller will review the allegations and establish the apparent position.
 - (i) If the Financial Controller reaches the conclusion that there does not appear to be an irregularity, and that the allegation appears unfounded, a full report will be prepared on the case for consideration initially by the Chief Financial Officer, Chief Operating Officer & DVC and the Principal and Vice-Chancellor and thereafter by Audit and Risk Committee. Unless Audit and Risk Committee raises objections to the conclusion reached, the case will be regarded as closed (except to the extent that the Audit and Risk Committee determines that some refinement of financial control procedures is needed).
 - (ii) If, however, the Financial Controller reaches the conclusion that there are grounds that financial misconduct has taken place, within one working day the Financial Controller will report it to the Chief Financial Officer or, if unavailable, the Chief Operating Officer & DVC. The decision whether or not to inform the Police will be made by the Financial Controller in consultation with the Chief Financial Officer and/or either the Chief Operating Officer & DVC or the Principal and Vice-Chancellor, as appropriate. The Financial Controller will also notify the Internal Auditors. In cases of substantial financial irregularity, it may be necessary to inform the SFC.
- (c) Investigations will be carried out in accordance with the principles of natural justice, and with due regard to the statutory rights of all individuals involved in the case. The University will take all reasonable measures to ensure that an investigation is concluded as quickly as possible.
- (d) When the case is sufficiently serious, a member of staff who is accused of financial misconduct may be suspended while an investigation is under way, in accordance with the University's disciplinary and dismissal procedures.
- (e) On completion of an investigation, a formal report will be submitted to the Chief Financial Officer, the Chief Operating Officer & DVC, Principal and Vice-Chancellor, the Audit and Risk Committee, the Internal Auditors and others at the discretion of the Principal and Vice-Chancellor. The Audit and Risk Committee will review the report and the actions taken to resolve the issue and may request further actions or require a further report to satisfy itself that the matter has been fully resolved.
- (f) Action may be taken, under the University's disciplinary and dismissal procedures, against any member of staff found guilty of financial misconduct. Any such person may also be subject to criminal charges, as well as civil legal action, for the recovery of any monies misappropriated from the University.
- (g) When an allegation of financial misconduct is upheld, the Audit and Risk Committee will ensure that financial control procedures are improved as necessary to reduce the likelihood of recurrence.
- (h) Should any member of staff responsible for this procedure be implicated in any way in an allegation of financial misconduct, the staff member will not take part in the procedure, the role being taken by an appropriate alternate (normally the staff member's immediate supervisor).