

# Fraud And Corruption Prevention Policy

## Section 1 - Definitions

(1) For the purpose of this Policy:

a. "Corruption"

- i. In general terms corruption involves improper acts or omissions, improper use of influence or position and/or improper use of information.
- ii. It can also be defined as misuse of public office which involves a criminal offence, a disciplinary offence or reasonable grounds for dismissal.
- iii. It may include, among other things, fraud, breach of trust, bribery, blackmail, false claims, extortion, obtaining or offering secret commissions, theft, embezzlement, tax evasion, illegal gambling, obtaining financial benefit by vice engaged in by others, company violations, forgery or violence.
- iv. The possibilities of corruption are numerous. The following are just some examples:
  - using taxi vouchers for private purposes;
  - personal use of university assets, including taking building or other materials or equipment from the area in which you work;
  - use of university time to pursue private interests/business;
  - receiving personal benefits in exchange for assisting a consultant to gain work at the University;
  - claiming for travel entitlement to attend a course and then not attending the course and not reimbursing travel monies;
  - misapplying government grant monies;
  - misappropriating official order forms to gain a personal benefit;
  - certifying the performance of service on claim vouchers without being certain that the service was really provided;
  - manipulating a tendering process to achieve a desired outcome;
  - favouring an applicant for employment on criteria other than merit;
  - manipulating the selection process for a staff appointment;
  - academic fraud eg plagiarism or inappropriate use or acknowledgement of another's work, misrepresenting qualifications on employment applications etc.;
  - allowing a conflict of interest to undermine your independence;
  - writing off recoverable assets or debts;
  - making cheques out to false persons;
  - using IOUs in petty cash;
  - using counterfeit signatures;
  - using imaging and desktop publishing to produce apparent original invoices;
  - mis-using or disclosing official information.

b. "Fraud"

- i. Fraud is generally regarded as a subset of corruption. The difference is primarily that fraud involves personal gain. For instance, taking a bribe in return for favouring a tender submission could be regarded

as fraud. If no bribe was involved, that is, if favouritism was given to a tenderer and no personal gain was involved, then this would be regarded as corrupt.

## Section 2 - Policy Statement

### Part A - Policy Declaration

(2) Southern Cross University ("the University") is committed to ensuring its policies, procedures and practices are consistent with best practice and the highest standards of ethical conduct and staff of the University are expected to act ethically, fairly and honestly.

(3) It is expected that all those who carry out work and related activities for the University will also observe the highest standards of conduct. Conduct that compromises public trust and confidence in the integrity and professionalism of the University and its officers and employees is unacceptable.

(4) The University shall:

- a. act to ensure that its operations are free from Fraud and Corruption;
- b. provide a framework that facilitates the identification of Fraud and Corruption risks and encourages timely and effective responses to those risks;
- c. ensure an environment exists that promotes prevention of possible fraudulent and corrupt conduct and detection and disclosure of suspected fraudulent and corrupt conduct;
- d. take prompt and appropriate disciplinary action against any staff-member who is found guilty of fraudulent or corrupt conduct; and
- e. report regularly to the NSW Independent Commission Against Corruption (ICAC) on matters of suspected corruption.

### Part B - Policy Description

#### Objectives

(5) This Policy:

- a. outlines a strategy developed to assist University staff become aware of what Fraud and Corruption is and what structures the University has in place to combat it.
- b. outlines the structures the University has developed so that possible Fraud and Corruption can be detected, reported, assessed and dealt with.
- c. combines with the University's Code of Conduct to assist in promoting a fair and honest working environment for the University community.
- d. confirms the University's commitment to identifying and combating Fraud and Corruption in the workplace.

#### Scope

(6) This Policy is applicable to all staff (including casual staff) of the University including, but not limited to, those in:

- a. faculties, schools, colleges and other academic units;
- b. centres and institutes;
- c. directorates and other administrative units;
- d. controlled entities and entities that are derived from the University's legal status.

## Part C - Content and Implementation

(7) Fraud and corruption risk management is an important subset of the University's overall risk management framework and this policy is complementary to the University's Risk Management Policy.

(8) Using a risk management approach, the University's Fraud and Corruption risks are to be identified and assessed. All unacceptably high Fraud and Corruption risks will be subject to risk mitigation treatment in line with the University's overall risk management plans. The effectiveness of the Fraud and Corruption risk management program is to be constantly monitored and regularly reviewed.

## Section 3 - Institutional Context

(9) Fraud/Corruption impedes the University's ability to perform and to meet its objectives. It wastes scarce funds and resources, affects the University's reputation and the reputation of all those working within the organisation.

(10) The University has an obligation to the community to ensure that its operations are free from Fraud and Corruption. The responsibility for Fraud and Corruption prevention rests with all University staff members and primarily with senior management of the University.

(11) The University also has an obligation to report all matters of suspected fraudulent and corrupt conduct to the relevant regulatory authorities.

(12) All organisations have potential risk areas. Some of the most common, in the university context, with associated preventative measures (controls), are:

- a. employment of staff:
  - i. Ensuring recruitment practices are without favouritism, discrimination, nepotism, conflicts of interest; ensuring working conditions are fair and without favouritism and responsive to the needs of the organisation; ensuring remunerations are accurate and appropriate.
- b. information systems (including academic records):
  - i. Ensuring confidentiality is maintained and records are controlled and secure.
- c. tenders, contracts and the purchase and disposal of assets:
  - i. Ensuring procedures for tendering are fair; ensuring procedures for purchasing meet legislative and regulatory requirements and controls are in place to ensure accuracy and appropriateness; ensuring disposal of assets is according to University policy, to the greatest benefit of the organisation.
- d. financial systems and procedures:
  - i. Ensuring systems cannot be misused eg petty cash, use of corporate cards; ensuring procedures for cashiering and reconciliations are appropriate and followed; ensuring appropriate accountability for expenditure of funding; ensuring security of financial assets.
- e. equipment and resources:
  - i. Ensuring the organisation's resources are not utilised by employees for personal purposes.

## Section 4 - Responsibilities

### Responsibilities and Approvals

#### Risk Management Committee of Council

(13) Fraud and Corruption prevention is a component of the overall risk management function of the organisation, overseen, at a strategic level, by the Risk Management Committee of Council. This committee:

- a. ensures that the University maintains effective risk management practices across all areas of its activities;
- b. oversees the development of a systematic and coordinated risk management framework;
- c. monitors the external risk environment; and
- d. ensures appropriate assessment of the impact of any changes to the University's risk profile.

### **Vice Chancellor**

(14) The University, through the Vice Chancellor, is required to report to the ICAC all matters which could be suspected, on reasonable grounds, as concerning or likely to concern corrupt conduct. The ICAC recommends that the reporting of such matters occurs 'without delay'. The ICAC then assesses whether it wishes to investigate any of these matters further.

(15) The Vice Chancellor also plays a pivotal role in providing ethical leadership and operational vision consistent with the University's commitment to meet community expectations of the highest standards of ethical conduct.

### **Executive and Managers**

(16) All officers who accept responsibility for management of any part of the University's budget shall ensure that accounting controls over the receipt and expenditure of public monies are in place, are operating effectively and provide adequate safeguards against corruption.

(17) The management team must also exhibit the highest standards of ethical behaviour and communicate that message throughout the University and down the chain of command. Staff education and client and community awareness programs are an integral component of this overall strategy.

### **Internal Auditor**

(18) The University's Internal Audit function plays a crucial role in the prevention of corrupt conduct within the University. The internal auditor has the responsibility to identify the major activity areas of the University exposed to corruption risk and to assess the nature and extent of any Fraud and Corruption risk. This risk assessment combined with the existence and effective operation of internal controls and an appropriate level of management oversight are major factors in determining the frequency and nature of audit coverage.

(19) The Internal Auditor also provides assistance to University management by advising on best practice financial and administrative procedures relating to corruption prevention and, where appropriate, facilitating training programs within the University which focus on financial and administrative controls on Fraud and Corruption risks.

### **Staff**

(20) All staff members of the University shall ensure that their conduct meets the highest probity standards. All employees have a duty to report incidents or suspected incidents of fraudulent or corrupt conduct as soon as possible after becoming aware of them.

(21) Every staff member should contribute to the development of better systems and procedures that will improve the University's resistance to Fraud and Corruption based on a risk management philosophy and methodology. Staff are responsible for implementing controls and regularly monitoring and reviewing the risks and the effectiveness of controls in reducing the Fraud and Corruption risk to an acceptable level.

## Section 5 - Procedures

(22) Under this Policy, it is the responsibility of all staff of the University to ensure that their conduct meets the highest probity standards. All employees also have a duty to report incidents or suspected incidents of fraudulent or corrupt conduct, either through internal mechanisms (described below) or to the relevant external body (as described in the University's Public Interest Disclosures Policy).

### How to report corruption

(23) As stated in the University's Code of Conduct and Public Interest Disclosures Policy, disclosures which show or tend to show corrupt conduct, maladministration or serious and substantial waste of public money, can be made to the following staff members within the University:

- a. the Disclosure Coordinator;
- b. the Disclosure Officers;
- c. the Vice Chancellor;
- d. the Chancellor.

(24) These officers have a responsibility to ensure disclosures are acted upon by the University. All disclosures of corrupt conduct will be investigated in accordance with the University's Public Interest Disclosures Policy.

(25) For further detail about how to make a disclosure, staff-members should refer to the University's Public Interest Disclosures Policy.

(26) Several areas in the University also have processes to handle some types of complaints and there is a Nominated Complaints Officer for each Cost Centre to whom formal complaints should be channelled. The Nominated Complaints Officers are also sources of advice/referral to staff about University complaints, appeals and grievance processes.

(27) In addition, there is a form for formal complaints about products or services at the University.

### Timeframe for reporting

(28) Under section 11 of the [Independent Commission Against Corrupt Conduct Act 1988 \(NSW\)](#) the University is required to report to the [ICAC](#), 'without delay', any activity he or she reasonably suspects could involve corrupt conduct. Consequently this process is facilitated by staff reporting matters as soon as they become aware of suspected corrupt conduct.

### Protection

(29) Under the (NSW) Protected Disclosures Act 1994 ("the Act"), persons making protected disclosures can be given protection against any reprisals or detrimental action in relation to the making of the protected disclosure.

(30) Detrimental action includes injury, damage or loss, intimidation or harassment, discrimination, disadvantage or adverse treatment in relation to employment, dismissal from or prejudice in employment or disciplinary proceedings.

(31) A person who is found to have taken detrimental action against another person for having made a protected disclosure, risks a substantial fine or 12 months imprisonment or both.

(32) It should be noted that protection is not available if the disclosure is made frivolously or vexatiously, primarily questions the merits of government policy or is made in an attempt to avoid dismissal or disciplinary action.

## Confidentiality

(33) In accordance with the Act, University staff members receiving protected disclosures and investigating protected disclosures have a responsibility to ensure that information that might identify the person making the protected disclosure is not released.

(34) Under the Act there are three exceptions only to this. These are where:

- a. the person consents in writing to the release of such information;
- b. the information is assessed to be necessary in order to investigate the matter;
- c. it is essential according to the principles of natural justice that the information be disclosed to the person that the disclosure concerns.

(35) If there is any need to release information that might identify the person making a protected disclosure, this will be discussed firstly with this person. This may occur where, as a result of a protected disclosure, proceedings are commenced before a court, tribunal, or an investigative committee.

## Alternative Avenues for Disclosures

(36) Alternative avenues available to staff for making a protected disclosure under the Act (other than by means of the internal reporting system established under the University's Internal Reporting Policy), are as follows:

- a. to one of the investigating authorities under the Act (i.e. for disclosures of corrupt conduct, the [ICAC](#); for disclosures of maladministration, the [NSW Ombudsman](#); or the [NSW Auditor General](#) for disclosures of serious and substantial waste of public money); or
- b. to a Member of Parliament or a journalist.

(37) The contact details for the above investigating authorities are:

- a. the [ICAC](#) - ph. (02) 8281 5999 or 1800 463 909 (toll free)
- b. the [NSW Ombudsman](#) (who performs a general advisory role for public officials throughout the NSW public sector) - ph. (02) 9286 1000 or 1800 451 524 (toll free)
- c. the [NSW Auditor General's Office](#) - ph. (02) 9285 0155

## Status and Details

<b>Status</b>	Historic
<b>Effective Date</b>	8th August 2012
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<b>Head of Work Unit</b>	Mark Dixon Director, Governance Services
<b>Enquiries Contact</b>	Legal Services