

# Fraud and Corruption Control Policy



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### OVERVIEW

The object of the University of Adelaide is the advancement of learning and knowledge, including the provision of university education. While conducting activities the University engages extensively with individuals, communities, businesses and government organisations in Australia and across the world.

The misappropriation of resources or misuse of position in any activities associated with the University or Controlled Entities will not be tolerated. The Fraud and Corruption Control Policy reflects the commitment of the University to prevent fraud and corruption through effective risk management. It also recognises that effective management is best primarily achieved by raising the awareness of *Personnel* at all operational levels.

The University expects that all *Personnel* will conduct themselves according to the University's [Code of Conduct](#) or the equivalent requirements for a controlled entity. External engagement activities will be conducted with the highest ethical and professional standards and *Personnel* will observe all applicable laws.

Fraud and corruption control requires the commitment, co-operation and involvement of all *Personnel* in preventing, detecting and responding to allegations of fraud and corruption.

### SCOPE AND APPLICATION

This Policy applies to all *Personnel* actively associated with the University and with the University's Controlled Entities.

Any confirmed breach of this Policy can result in disciplinary action being taken and may constitute serious misconduct under the University of Adelaide Enterprise Agreement or equivalent within a Controlled Entity. There may be consequences under the [University of Adelaide Act 1971 \(SA\)](#) or the circumstances of the breach may be referred to legal and regulatory enforcement authorities.

Fraud and corruption are offences under various provisions of State and Commonwealth statutes and individuals found engaging in such activities can face criminal charges. Some misconduct covered by this Policy may also be subject to "extra-territorial" laws intended to meet Australia's obligations under International Conventions or sanctions regimes or the laws of other countries (including anti-bribery measures). Fraud or corruption may also breach recognised Professional Standards and Codes and be subject to procedures specified by external professional/occupational bodies. This would include, but is not limited to, various research codes. Further information can be sought from the relevant administrative support unit of the University or Controlled Entity.

*Special Note:*

In addition and separate to the obligations set out under this Policy, University officers, members of the governing body and Council committees, employees (including those seconded to other organisations), titleholders, volunteers, consultants and contractors providing services to the University are considered “Public Officers” under the [Independent Commissioner Against Corruption Act 2012 \(SA\)](#). All *Public Officers* have a legal obligation to make an in-confidence report to the South Australian [Office for Public Integrity](#) of any conduct involving University activities that they “reasonably suspect” may amount to ‘corruption, misconduct or maladministration in public administration’. The reporting threshold under this Policy and other University Policies is not necessarily the same as the threshold for *Public Officers* as defined under Schedule 1 of the [Independent Commissioner Against Corruption Act 2012 \(SA\)](#). Individuals should seek further information from the Office of Public Integrity to clarify their obligations and the reporting process. The University’s Legal and Risk Branch, Division of Services and Resources can provide general [guidance](#) only and reporting is necessarily an independent obligation and decision.

The act of making a report under this Policy does not reduce any reporting obligations that may exist under the [Independent Commissioner Against Corruption Act 2012 \(SA\)](#) and vice-versa.

This Policy should also be read in conjunction with the University’s [Whistleblower Policy](#).

## **POLICY PRINCIPLES**

### **1. The University’s attitude to fraud and corruption**

- a) The University will not tolerate fraud or corruption.
- b) The University will seek to prevent opportunities for fraud and corruption by developing, implementing and regularly reviewing fraud and corruption prevention, detection and control strategies.
- c) The University requires Controlled Entities to adopt measure that will seek to prevent opportunities for fraud or corruption in the conduct of their core business.
- d) The University acknowledges its obligations as a “Public Authority” as defined under the [Independent Commissioner Against Corruption Act 2012 \(SA\)](#) and will co-operate with any investigation into corruption, misconduct or maladministration in public administration as required.

### **2. The University’s approach to fraud and corruption**

- a) The University adopts a clear approach to prevention and detection in its [Fraud and Corruption Control Plan](#) (the Plan) based on [Australian Standard for Fraud and Corruption Control AS 8001:2008](#). The Plan and its implementation will be reviewed every 2 years and updated as necessary.
- b) The University expects the Board and Chief Executive Officers (or equivalent) of each Controlled Entity to implement measures set out in the University’s Fraud and Corruption Control Plan as appropriate for their core business activities.
- c) The University will provide information and training to support *Personnel* in their duty to report suspected fraud and corruption and will accommodate any duty to report to, or co-operate with, external agencies.
- d) All information regarding suspected fraud or corruption at the University or a Controlled Entity will be collected, classified and handled appropriately and have regard to requirements for reporting to law enforcement agencies, privacy, confidentiality, legal professional privilege and the requirements of procedural fairness and natural justice.
- e) The University recognises that *Personnel* may rely on protections under the University’s [Whistleblowers Protection Act 1993 \(SA\)](#) in making a *public interest information* disclosure and such disclosures will be managed in accordance with that Act and the [Whistleblower Policy](#).
- f) Any communications on behalf of the University will be determined by the Chancellor or Vice-Chancellor and President as the context permits. Any communications by a person not designated by the Chancellor or Vice-Chancellor and President or this Policy will be unauthorised.

### 3. Responsibilities of Personnel

- a) *Personnel* must ensure that they are aware of and support the implementation of fraud and corruption control strategies in their work areas.
- b) *Personnel* must not engage in, nor actively or passively support, fraud or corruption.
- c) *Personnel* must be alert to the potential for and report any suspected fraud or corruption in accordance with Procedures under this Policy and will co-operate with any investigations.
- d) *Personnel* who become aware of incidents of fraud or corruption must observe appropriate confidentiality and the University's communications protocols.
- e) Managers must uphold and monitor fraud and corruption control strategies, initiatives and systems (as developed under the Fraud and Corruption Control Plan) within their area of responsibility.
- f) The Executive Managers of the University and of Controlled Entities must establish appropriate mechanisms to prevent, detect and respond to fraud and corruption.
- g) Any failure by *Personnel* to comply with this Policy may result in disciplinary action, the termination of consultancy agreements or other contracts or the removal of an honorary role or title and the referral to regulatory or law enforcement agencies.
- h) *Personnel* who are Public Officers under the [Independent Commissioner Against Corruption Act 2012 \(SA\)](#) must meet their obligations in accordance with the Act.

#### High risk areas of activity

*Personnel*, particularly those in management roles, should be aware that some activities present a higher potential risk for fraud or corruption and should ensure effective prevention and detection measures are in place and followed for the following activities:-

- Procurement of goods and services
- Recruitment
- Capital works projects, property management and maintenance services
- IT systems access, data management and contracting for IT services and supplies
- Financial transactions
- Grants and funding
- Intellectual property & confidential information
- Payroll
- Student admissions and records
- International engagement, including education services for overseas students
- Management of external suppliers and service providers.

#### Examples of what constitutes fraud and corruption

\*The following list provides indicative examples of fraud and corruption. The list is not exhaustive and reflects possible scenarios only.

Activity	Examples of fraud or corruption*
Misappropriation or misuse of resources	<ul style="list-style-type: none"><li>• Theft of cash, inventory or equipment</li><li>• Unauthorised use or sale of assets for personal benefit</li><li>• Assisting in the illegal transfer of assets</li><li>• Causing a loss or creating a liability by deception</li><li>• Using resources (including plant and equipment) dishonestly, without approval or authority, or for personal advantage</li></ul>
Misuse of position – whether for personal or for purported organisational advantage	<ul style="list-style-type: none"><li>• Paying or accepting kickbacks or secret commissions from or to third parties</li><li>• Facilitating the dishonest activity of another for a “consideration” of the benefit gained</li><li>• Receiving from a person or offering a bribe or facilitation payment to a person, including those in public office, so as to influence a decision that would mean that person would violate their official duty</li><li>• Seeking favours, including sexual favours or vouchers for</li></ul>

Activity	Examples of fraud or corruption*
	<p>services, in exchange for favourable treatment which would be dishonest or unlawful</p> <ul style="list-style-type: none"> <li>Improperly using an official position to gain an advantage for oneself or another person, whether within the State or another jurisdiction</li> </ul>
Travel and Entertainment	<ul style="list-style-type: none"> <li>Inappropriate or unauthorised expenditure</li> <li>Unapproved travel at University expense</li> <li>Inflated or deceptive expense claims</li> <li>Deceptive or misleading information on Travel Diaries</li> <li>Making false claims against the University's insurance program</li> </ul>
Engagement	<ul style="list-style-type: none"> <li>Bribing an official in order to secure an agreement or the issue of a permit or other formal authorisation</li> <li>Seeking to influence a person or persons holding public office (in Australia or overseas) with the payment of a donation to a political or nominated charitable cause</li> </ul>
Data assets and IT access	<ul style="list-style-type: none"> <li>Unauthorised access, use, release or destruction of data for personal advantage</li> <li>Use of administrative privileges to gain unauthorised access to accounts, work areas or systems</li> <li>Provision of user names and passwords to unauthorised people for a fee or other benefit</li> <li>Accepting payment for enrolling non-eligible students or altering academic transcripts</li> </ul>
Legal obligations	<ul style="list-style-type: none"> <li>Providing false or misleading information</li> <li>Withholding information contrary to a legal requirement to provide information</li> </ul>
Staffing	<ul style="list-style-type: none"> <li>Use or disclosure of information for a dishonest or unauthorised purpose</li> <li>Unlawful alteration of staff records</li> <li>Appointments motivated by a personal relationship and without merit</li> <li>Falsifying documents</li> </ul>
Salaries, wages, allowances	<ul style="list-style-type: none"> <li>Payments to "ghost" employees</li> <li>Authorising payments to employees for tasks not performed or for skills they do not have</li> </ul>
Contract management	<ul style="list-style-type: none"> <li>Accepting bribes, facilitation payments and/or "incentive gifts" from suppliers</li> <li>Negligent or deliberate mismanagement of contracts for personal advantage</li> <li>Inflating charges or costs for goods or services or substituting an inferior product for that contracted for</li> </ul>
Tender processes	<ul style="list-style-type: none"> <li>Manipulating a competitive procurement process for improper benefit or advantage for any individual or organisation including the University</li> <li>Unauthorised or improper release of pricing or other competitive procurement information</li> <li>Failing to declare a conflict of interest when overseeing competitive procurement processes</li> <li>Accepting inappropriate gifts or benefits without full transparency</li> </ul>
Financial transactions	<ul style="list-style-type: none"> <li>Forging or falsifying documents or signatures</li> <li>Dishonestly using procurement forms and processes</li> <li>Causing, assisting or enabling unauthorised or illegal transfers of funds or access to other benefits or advantages</li> </ul>

Activity	Examples of fraud or corruption*
	<ul style="list-style-type: none"> <li>• Inappropriate use of University credit cards including using for personal purchases</li> <li>• Creating and causing payments to fictitious vendors or suppliers</li> </ul>
Conflicts of interest or duty	<ul style="list-style-type: none"> <li>• Failing to declare or properly manage a declared conflict of interest or conflict of duty</li> <li>• Allowing personal relationships to improperly influence a decision</li> <li>• Receiving a personal benefit by allowing family or friends to improperly access University services</li> <li>• Without approval, undertaking external work or employment in conflict with an obligation to the University</li> </ul>
Academic / Research	<ul style="list-style-type: none"> <li>• Fabricating or falsifying research data</li> <li>• Plagiarising another's work</li> <li>• Dishonest use of intellectual property</li> <li>• Misapplication of grants, research funds or sponsorships</li> <li>• Causing or permitting the falsification of student records or academic qualifications for payment or other benefit or advantage</li> </ul>

## PROCEDURES

### Prevention

#### **1. Establish strategies, initiatives and systems to prevent fraud and corruption** **Responsibility: Senior Managers; Managers and Supervisors; Director Human Resources**

Senior Managers with responsibility for a Division, Faculty, School, Branch or Controlled Entity, will:

- Maintain and foster in others a high standard of ethical and professional conduct.
- Ensure that operational systems have appropriate internal controls in place designed to prevent fraud and corruption.
- Implement and oversee fraud and corruption detection programs in their area of responsibility.
- Implement and oversee fraud and corruption risk assessments in their area of responsibility.
- Review the internal risk control environment after each detected occurrence of fraud or corruption.

Managers and supervisors, in particular those with oversight of higher risk areas of activity, will:

- Be alert to the possibilities for fraud or corruption in their business areas, assess risks associated with their particular activities and actively manage those risks within the University's [Risk Management Framework](#) and in accordance with the [University's Risk Policy](#).
- Assist senior managers to implement strategies, initiatives and systems as set out in the Plan to prevent, detect and respond to fraud and corruption.
- Ensure internal reviews of their areas are undertaken regularly (at least annually) and any material changes in responsibilities or circumstances or risk ratings are reported to their supervisor or the Chief Operating Officer as appropriate.
- Inform new staff and remind existing staff of their obligations under this Policy, other related policies and applicable legislation.
- Ensure that fraud and corruption training is undertaken by all new staff and encouraged for existing staff.

The Director Human Resources will:

- Ensure the information about fraud and corruption control is incorporated into University's employee induction processes.

## **2. Fraud and Corruption Control Plan**

**Responsibility: Chief Operating Officer; Chief Financial Officer**

The Chief Operating Officer will:

- a) Develop a Fraud and Corruption Control Plan (the Plan) for the University which includes strategies, initiatives and systems to prevent, detect and respond to fraud and corruption.
- b) Determine a review schedule for the Plan to be conducted as needed or at least once every two years (in accordance with the *Australian Standard AS 8001-2008*).
- c) Facilitate the implementation of the Plan.
- d) Report to the Audit, Compliance and Risk Committee about the Plan.

The Chief Financial Officer will:

- a) Provide advice to the Chief Operating Officer on the design and implementation of the fraud risk assessment program with particular regard to financial systems and controls.
- b) Review the internal risk control environment for financial systems and processes after each detected occurrence of fraud or corruption and advise on the need for additional prevention and detection strategies.
- c) Ensure that financial systems and processes have appropriate internal controls in place which are incorporated in policies and procedures and designed to minimise the likelihood of fraud and corruption.

## **Detection**

### **3. If you suspect or detect fraud or corruption– reporting procedure**

**Responsibility: All Personnel**

- a) In the first instance, and as soon as possible, report any suspected fraud or corruption to the Head of School or Branch, to the Chief Executive Officer of a Controlled Entity or to a supervisor or relevant line manager.
- b) Reports can be made orally or in writing and should clearly explain the basis for the suspicion of fraud or corruption. If a report has been made to an external agency, such as the South Australian Office for Public Integrity, that information should also be included in the report to the University or Controlled Entity.
- c) All *Personnel* are required to act reasonably and in good faith in reporting and responding to alleged fraud or corruption and are required to co-operate with any investigation. Details of the report should be kept confidential.
- d) If for any reason the usual line of reporting (as set out in a) above) would be inappropriate:
  - i. Report directly to the Executive Dean of any Faculty of the University or to the Chief Operating Officer; or
  - ii. Consider whether your report is a “protected disclosure” under the [Whistleblowers Protection Act 1993 \(SA\)](#) and follow the reporting procedure under the University’s [Whistleblower Policy](#).
- e) Any employee of the University or Controlled Entity receiving a report must advise the relevant Executive Dean, the Divisional Head or the relevant Controlled Entity Liaison Manager.
- f) All reported allegations of fraud and corruption must be reported immediately to the General Counsel.
- g) Management must communicate any reports that have the potential to impact on the reputation or operation of the University to the Chair of the Audit, Compliance and Risk Committee and to the Chancellor and they must be kept informed of steps taken to respond to such instances.

A flowchart depicting the designated reporting channels and fraud or corruption incident handling process within the University forms a part of this Policy.

## **Response**

### **4. Response to reports of fraud and corruption**

#### ***Responsibility: Staff receiving a report of fraud or corruption; General Counsel***

Staff receiving a report of fraud or corruption will:

- a) Enable an appraisal of the report by identifying, documenting and preserving the available evidence.
- b) Immediately advise senior management (e.g. Executive Dean, Branch Head, Divisional Head, Chief Executive Officer) and the General Counsel.

The General Counsel will:

- a) Act as the University's central referral point for reported allegations of fraud and corruption and provide advice on the approach to be taken by the area involved.
- b) Advise the area and senior management on progress with the investigation of the alleged incidents of fraud and corruption (i.e. in accordance with the *Australian Standard for Fraud and Corruption Control AS 8001:2008* or in the case of research fraud or misconduct investigations, the [Australian Code for the Responsible Conduct of Research](#))
- c) Convene and manage a [Fraud and Corruption Investigation Task Force](#) as required and depending on the nature of the report (see b) above).
- d) Ensure that instances of suspected fraud or corruption are appropriately recorded, investigated and satisfactorily resolved.
- e) Refer instances of fraud or corruption to law enforcement agencies and/or other external agencies as appropriate.
- f) Ensure that information about fraud and corruption incidents is collated and available to inform future prevention, detection and response strategies.
- g) Ensure that the Vice-Chancellor and President and the Audit, Compliance and Risk Committee are informed of allegations of fraud or corruption.

The [Fraud and Corruption Investigation Task Force](#) will:

- a) Be comprised of not less than 3 members in the following positions:
  - i. General Counsel
  - ii. Director Human Resources
  - iii. Chief Financial Officer
  - iv. Other relevant senior executive managers (e.g. Executive Dean or Deputy Vice-Chancellor and Vice-President (Research) or nominee for research related investigations).
- b) Manage any allegations and any investigation or further report or notification giving consideration to:
  - i. The [University of Adelaide Enterprise Agreement](#) (as amended) or equivalent for controlled entities
  - ii. Requirements set out in the *Australian Standard for Fraud and Corruption Control AS 8001:2008*
  - iii. Any other applicable policy and legislative or regulatory requirements.
- c) Determine or nominate an independent investigator.
- d) Receive updates and reports from the investigator.
- e) Determine the appropriate course of action to be pursued which may include:
  - i. Referral to external agencies
  - ii. Disciplinary action under the Enterprise Agreement or Controlled Entity equivalent
  - iii. A strategy or process to recover money, assets or property.

### **5. Communications protocol**

#### ***Responsibility: Chancellor; Vice-Chancellor and President***

The Chancellor or Vice-Chancellor and President will:

- a) The Chancellor and the Vice-Chancellor and President for Council and Management respectively will issue, authorise and monitor communications protocols with respect to any allegation, any investigation or any referral to a regulatory organisations or law enforcement agency.



## DEFINITIONS

The University has adopted the following definitions:

*Fraud* means dishonestly obtaining or attempting to obtain a benefit or advantage for any person or dishonestly causing or attempting to cause a detriment to the University of Adelaide or Controlled Entities.

*Bribery* means offering a person who has official duties in an Australian or other jurisdiction a reward or inducement in order to influence another's behaviour or influence the exercise of official duties.

*Corruption* means the misuse of office or conferred power for personal or private advantage and may include bribery, fraud, nepotism, extortion or dishonesty. Corruption includes conspiring to aid, induce or conceal these offences. Corruption can include improper action taken to further the purported interests of an organisation.

*Maladministration* is defined in the [Independent Commissioner Against Corruption Act 2012 \(SA\)](#) to mean conduct that results in the irregular or unauthorised use of public money or the substantial mismanagement of public resources or in the performance of official functions.

*Misconduct*, as it applies to the conduct of University of Adelaide staff, is defined in the [University of Adelaide Enterprise Agreement](#) (as amended). The [Independent Commissioner Against Corruption Act 2012 \(SA\)](#) defines misconduct to include a contravention of any applicable code of conduct while acting as a public officer that constitutes a ground for disciplinary action.

*Personnel* for the purposes of this Policy means people actively associated with the teaching, learning, research, enabling and support activities of the University and includes:

- University officers appointed under the University of Adelaide Act 1971 (SA) and external members of the governing body or any committee of the University of Adelaide Council
- Academic and professional staff
- Titleholders, academic visitors and affiliates of the University
- Contractors and consultants
- Volunteers
- Board members, officers and staff of Controlled Entities.

*Public Interest Information* is defined by the [Whistleblower Protection Act 1993 \(SA\)](#) and may include, but is not limited to, information that tends to show that the University or any staff member is or has been engaged in:

- illegal activity;
- an irregular and unauthorised use of public money;
- substantial mismanagement of public resources;
- conduct that causes substantial risk to public health or safety, or to the environment; or
- maladministration in relation to the performance of official functions.

*"Reasonably suspect"* is defined in the [Guidelines](#) issued by the Independent Commissioner Against Corruption by reference to 'a person's state of mind or view based on fact and what is reasonable in the circumstances and which is more than only imagination'. Further information about forming a reasonable suspicion for reporting can found on the [ICAC website](#).

*Research misconduct* is defined in the [University of Adelaide Enterprise Agreement](#) (as amended) and accords with the definition found in the [Australian Code for the Responsible Conduct of Research](#).



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<b>Responsible Officer</b>	General Counsel
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<b>Approved by</b>	Council on 24 August 2015
<b>Related Documents and Policies</b>	<a href="#">Authorship Policy</a> <a href="#">Code of Conduct</a> <a href="#">Conflict of Interest Procedure</a> <a href="#">Financial Management Policy</a> <a href="#">Giving Policy</a> <a href="#">Intellectual Property Policy</a> <a href="#">IT Acceptable Use and Security Policy</a> <a href="#">Risk Policy</a> <a href="#">Remuneration and Employment Benefits Policy</a> <a href="#">Responsible Conduct of Research Policy</a> <a href="#">Travel and Entertainment Policy and Procedures</a> <a href="#">University of Adelaide Enterprise Agreement</a> (as amended) <a href="#">Whistleblower Policy</a>
<b>Related Legislation</b>	<a href="#">Independent Commissioner Against Corruption Act 2012</a> <a href="#">Criminal Code Act 1995 (Cth)</a> <a href="#">Criminal Law Consolidation Act 1935 (SA)</a> <a href="#">Foreign Corrupt Practices Act of 1977 (USA)</a> <a href="#">Bribery Act 2010 (UK)</a> <a href="#">Whistleblower Protection Act 1993 (SA)</a>
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