The University of Western Australia

University risks as identified by the Corruption and Crime Commission and hypothetical examples of fraudulent and corrupt conduct

1 Risks

The following fraud and/or corruption risk areas have been identified by the Corruption and Crime Commission as areas of major concern for Universities.

*Soft marking* – The overseas market is particularly volatile and competitive; universities are sensitive to alienating a market that may contribute to their revenue. Instances have been identified where tutors have been told to pass students who have not attended any of the courses or submitted any assignments. A professor in NSW was sacked after he publicly disclosed how he was instructed to inappropriately upgrade honours students’ marks.

*Plagiarism* – Virtually anything from an essay to a doctorate level thesis can now be purchased online. Software programs have been developed to combat this but even with this technology it is proving difficult to detect. For students the incentive is achieving their degree. The incentive for academics is their ongoing employment, as they are generally required (as are universities) to publish in order to retain their tenure.

*Stealing research* – Due to a lack of consistency and clarity around the protocols of research there have been instances where students’ research data have been “stolen” by their supervisors and published without reference to the researcher. In some instances the supervisor is included as the secondary researcher, others as the primary researcher and in other instances there has been no acknowledgement of the researcher.

*Bribery* – There are examples where students have paid administrative employees to change their marks and course standing. In some instances, staff have touted the availability of their services.

*Cheating* – There are constant concerns that students are getting inappropriate access to exam papers either electronically or by other means. In some instances, it has been alleged that academic staff are complicit in this to improve their own status and to maintain their own tenure. Because students’ assessments of their teachers, as well as the marks they get, are part of the assessment process for teaching staff, there is pressure for teaching staff to ensure their students achieve good marks.

*Qualifications tampering* – Academics and students have been found guilty of altering or falsifying their qualifications in order to gain employment or to achieve their degrees with minimum workload.
Conflicts of interest – This is a constant cause of concern. In one identified instance an academic, without any tendering process, employed a close relative to do some of the work associated with the research. While the relative received no more money than was feasible for the project, the lack of due process meant that no one else could express an interest in the work funded by the public purse.

Misuse of computer facilities – This was identified as a major problem at some universities. In some instances there had been inappropriate entries into external internet sites resulting in significant financial loss to the universities concerned. Instances of unauthorised access to confidential university data and destruction of university data have also been discovered. Systematic weaknesses particularly with regard to student record systems were discovered.

Misuse of consulting funds – The CCC has expressed a concern of the need for accountability in the expenditure of University funds gained through consulting activities. Such funds may only be used for the purposes specified by the University Policy on: Professional and Consultative Work and in accordance with the University Finance Manual.

Fraud – One university uncovered a fraud that cost the university $180k where an employee responsible for approving invoices had been approving invoices for services that did not exist from a company where the employee was the sole director. It was found that in some universities there are very low thresholds that enable relatively junior staff to incur expenditure in the millions of dollars with little or no monitoring.

2 Hypothetical examples

The following items are presented to illustrate some hypothetical examples of fraudulent and corrupt conduct. They are presented to assist University staff in maintaining awareness of potential circumstances where such behaviour may occur. As with the indicators of fraud the list is neither definitive nor exhaustive. Judgment must be exercised in considering potentially fraudulent and corrupt conduct. In some circumstances, a one-off instance may constitute fraudulent and corrupt conduct. In other circumstances, one-off instances of some behaviour may not be considered fraudulent and corrupt conduct, however, ongoing recurrences of that behaviour that become material or serious in nature will be regarded as potentially fraudulent and corrupt behaviour.

- An employee responsible for arranging a faculty’s advertising, awards graphic design contracts to a company in which he or she or his or her partner owns or has a substantive interest or awards contracts to acquaintances (or corporations associated with acquaintances) without the procedures of due process having being applied.
- Several laptops are delivered to a building incorporating a number of IT departments and the laptops ‘disappear’. The signature on the delivery docket, verifying that the goods were delivered, is illegible.
- An employee travelling on University business claims a per diem and also pays for meals on his or her corporate credit card.
- An employee pays for private travel or entertainment on his or her corporate credit card.
- An employee obtains employment under false pretences by falsely claiming to have the required qualifications.
- An employee uses, without authority, University equipment and material after hours for his or her own business or private use.
- An employee uses a University vehicle for private use, without the appropriate prior approval.
- Failing to declare a gift, received in appreciation of duties associated with the University and worth over $100.
- Taking leave (Annual, Long Service or Personal) without seeking the appropriate approval or entering it on the Employee Self Service System.
- Theft of money or equipment.
- Failing to comply with the *University Policy on: Professional and Consultative Work*.
- Misuse of fuel card.
- Influencing the employment or approving the employment of a relative or close friend without proper authority.