



THE UNIVERSITY OF  
WESTERN AUSTRALIA  
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## **GUIDELINES FOR DEALING WITH FRAUD AND CORRUPTION AT UWA**

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## 1. Introduction

Fraud and corruption prevention is in the long-term interest of the University and its staff. One of the University's core values is to foster the values of openness, honesty, tolerance, fairness, trust and responsibility in social, moral and academic matters as detailed in the University's Code of Ethics and Code of Conduct. The University recognises its prominent role in the wider community and the need for accountability in decision making, particularly in the use of public funds, endowments and bequests.

These guidelines are to be read in conjunction with the University [UWA Fraud and Corruption Policy](#). The purpose of the [UWA Fraud and Corruption Policy](#) is to protect the University's assets, interests and reputation through a co-ordinated approach in dealing with suspected fraud and corruption and, where appropriate, endeavour to safeguard the reputation of persons subject to the operation of this policy.

The policy applies to all employees of the University and contractors to the University regardless of the position held.

The guidelines aim to enable staff to identify areas of risk and actual instances of fraud and corruption as well as setting out the processes to be followed when suspected acts of fraud and corruption are investigated at UWA. They set out the processes to be followed, the responsible officers in the process and the University's reporting requirements. The guidelines aim to achieve a just and coordinated approach by the University in dealing with suspected acts of fraud and corruption. In particular, the guidelines outline:

- a. Roles and Responsibilities;
- b. University Strategies to deal with fraudulent and corrupt behaviour;
- c. Complainant Protection;
- d. Natural Justice;
- e. The Initial Enquiry and Preliminary Investigations Processes;
- f. Investigation File Management;
- g. The Corruption and Crime Commission and the requirements of the *Corruption and Crime Commission Act (WA) 2003*;
- h. The relationship between the policy and the Code of Conduct and Code of Ethics;
- i. The relationship between the policy and the University's Industrial Instruments and the University of Western Australia Act (WA) 1911;
- j. Referral to External Agencies;
- k. The relationship of the policy to insurance claims and theft;
- l. Confidentiality processes;
- m. Evidence Gathering; and
- n. Reporting the Results of Initial Enquiries and Preliminary Investigations.

## 2. Definitions

**Commission** means the Corruption and Crime Commission established under Section 8 of the *Corruption and Crime Commission Act (WA) 2003*.

**Employee Representative** means a person nominated by an employee to provide support and/or to make representations to the University on their behalf, and who is not currently a practising solicitor or barrister.

**Fraud and Corruption** are to be given the meaning provided in the AS 8001 "Fraud and Corruption Control" and are as follows:

#### *fraud*

Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the University and whether or not deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position.

#### *corruption*

Dishonest activity in which a senator, executive members, manager, employee or contractor of the University acts contrary to the interests of the University and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

Hypothetical examples of fraud may be found in Appendix A and the main risks of fraud in Universities can be found in Appendix B.

**Independent Party** means a body corporate or natural person that is external to the University including a consultant, contractor or organisation.

**Industrial Instrument** means the relevant University Collective Workplace Agreement or Enterprise Bargaining Agreement applicable to an employee and their contract of employment.

**Manager, Complaints Resolution** means the person appointed by the University to manage complaints. In the context of complaints of fraud and corruption, the Manager, Complaints Resolution will ensure adequate records are kept and will monitor timeliness of actions through the Complaints Handling System.

**PID Act** means the *Public Interest Disclosure Act (WA) 2003*

**PID Officer** means the University's designated Public Interest Disclosure Officer, as provided for under the PID Act. There are three PID Officers at UWA, being the Director, Legal Services, the Director, Human Resources, and the Manager, Complaints Resolution.

**Responsible Person** is the person appointed by the Senior Deputy Vice-Chancellor to investigate an instance possible fraud or corruption and may include a University Officer or an external investigator.

**Senior Deputy Vice-Chancellor** is the general deputy to the Vice-Chancellor and has the responsibility for University staffing issues and broad line management of the Deans and University Librarian.

**Senior Management** includes and is not limited to a person appointed to the University as a member of the University Executive, Director, Faculty Dean, Head of School, School Manager or supervisor or a person appointed in an acting capacity in these positions.

**University** means The University of Western Australia as constituted under the *University of Western Australia Act (WA) 1911*

**University Officer** means a person exercising authority for or on behalf of the University, and includes a member of Senate, officer, employee, contractor or agent of the University or a controlled entity of the University.

**Vexatious** refers to complaints which are instituted or pursued without reasonable ground or instituted to harass or annoy, to cause delay or detriment, or for any other wrongful purpose.

**Vice Chancellor** means the Vice Chancellor of The University of Western Australia or a person acting in the Vice Chancellor's position, or as his or her nominee.

### **3. Roles and Responsibilities**

#### *a. Vice-Chancellor(V-C)*

- 1) The Vice-Chancellor has the ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place.

- 2) The Vice-Chancellor, or the Vice-Chancellor's duly appointed delegate, on the advice of the Director, Legal Services, has the responsibility of referring to or notifying any relevant external agencies of any allegations of fraud and corruption.
- b. *Senior Deputy Vice-Chancellor (SDVC)*
- 1) The Senior Deputy Vice-Chancellor has the responsibility for determining when and how to investigate allegations of fraud and corruption.
  - 2) The SDVC determines the extent to which an allegation will be investigated, usually in consultation with the Director, Human Resources, or the Director of Legal Services.
  - 3) The SDVC will appoint the Responsible Person for the investigation of an allegation.
- c. *Director, Human Resources*
- 1) The Director, Human Resources will work with line management to ensure that any action taken during the course of an investigation, and subsequently, is in line with the University's industrial instruments and human resources policies.
  - 2) This officer will further ensure that any acts of suspected fraud or corruption of which he or she becomes aware, are reported to the Senior Deputy Vice-Chancellor.
  - 3) The Director, Human Resources is also a PID Officer, able to accept complaints under the Public Information Disclosure Act (see clause 6)
- d. *Manager, Complaints Resolution*
- 1) This officer can receive complaints in accordance with this policy and is also a PID Officer, able to accept complaints under the Public Information Disclosure Act (see clause 6) This officer may assist a complainant in determining if the matters raised constitute possible fraud and corruption, and in forwarding their complaint to the SDVC.
  - 2) The Manager, Complaints Resolution monitors the process of complaint handling.
- e. *University Managers*
- 1) Staff holding supervisory and management roles have a leading role in creating an honest, ethical and professional workplace and are expected to display appropriate attitudes towards compliance with the University's regulations and policies. Matters or concerns raised need to be reported to the Senior Deputy Vice Chancellor (SDVC) before any form of action is taken.
  - 2) Management may also, on the advice of the SDVC, assist with any further investigations into these activities.
  - 3) It is the responsibility of all supervisors and managers, in their day-to-day operations, to ensure that there are mechanisms in place within their areas of control to assist with:
    - a) Assessment of the risk of fraud and corruption through awareness of the risks and exposures inherent in their area of responsibility;
    - b) Promotion of staff awareness of ethical principles subscribed to by the University including the UWA Code of Ethics and Code of Conduct;
    - c) Education of staff about fraud and corruption prevention and detection.
    - d) Promotion of a positive and appropriate attitude towards compliance with laws, rules and regulations.
    - e) Prompt and positive responses to all allegations or indications of fraudulent, corrupt or other wrongful acts.
  - 4) Where managers do not have the expertise to evaluate internal financial controls they should call on support from the Risk Management Division and/or Financial Services.

- 5) Management should incorporate into their annual planning processes, fraud and corruption control measures that cover risk assessment, awareness programs and appropriate training.
- 6) Management should be aware of common indicators and symptoms of fraud, corruption or other wrongful acts and respond to those indicators as appropriate.

Details of common areas of fraud and indicators of fraud are described in the document: *Fraud Prevention in the Western Australian Public Sector, Ministry of Premier and Cabinet, 1999*. The document can be downloaded from the following Internet site:

<http://www.mpc.wa.gov.au/psmd/pubs/psrd/governance/fraud.php>.

**Appendix C** also outlines some possible indicators of fraud.

f. *All Employees*

- 1) All employees contribute to creating an honest, ethical and professional workplace through the minimisation and prevention of activities which may be considered as fraud or corrupt conduct.
- 2) Employees at all levels within the University, as Public Officers, have a duty to report any act or situation that may be suspected as fraud or corruption as soon as they are aware or are made aware of these circumstances.
- 3) Such matters would ordinarily be raised with local management, or when appropriate, directly to the University's Manager, Complaints Resolution, to Human Resources, or directly to the SDVC.
- 4) Matters may also be raised with the University's PID Officers (see clause 6) or directly with the Crime and Corruption Commission.
- 5) All employees are expected to assist with any enquiries and investigations pertaining to fraud and corruption.

#### **4. The Investigation of Misconduct other than fraud or corruption**

- a. The investigation of misconduct will be conducted in accordance with the staff member's industrial instruments and relevant University Policy.
- b. Any acts of suspected fraud or corruption arising during an investigation of misconduct, must be reported.

#### **5. University Strategy**

- a. It is important that the University has strategies to combat acts of fraud and corruption. To that end, the University environment and culture must be such that these behaviours are prevented in the first instance or may be readily detected and positively dealt with. Such strategies will be embedded in the University's Cycle of Planning and Responsibility. **Appendix D** to the guidelines provides some examples of policy areas that will foster this environment.
- b. Staff Training and Development is a key component to combat fraudulent and corrupt behaviour. To that end:
  - 1) Induction procedures will include making new staff aware of the relevant provisions of the *Corruption and Crime Commission Act (WA) 2003*, the *Public Interest Disclosure Act (WA) 2003*, the UWA Code of Ethics and Code of Conduct and this policy.
  - 2) Legal Services will work with Risk Management, Financial Services or Human Resources to identify resources to develop and conduct fraud and corruption awareness and prevention training for management and staff.
  - 3) The University Website refers to the Code of Ethics and Code of Conduct and the University Policy and Guidelines on Fraud and Corruption.

## 6. Complainant Protection at UWA

'Whistleblower' protection is available to employees and external organisations/persons under the Public Interests Disclosure Act (WA) 2003. The PID Act gives certain protections to people making disclosures of public interest. Protection under the PID Act is only available if the allegation of fraud or corrupt conduct is made to any of the University's PID Officers, being the Director, Legal Services, the Director, Human Resources and the Manager, Complaints Resolution. Allegations of fraud or corrupt conduct made to other University representatives are not protected by the PID Act. Any person with concerns of possible victimisation, reprisals or dismissal as a consequence of reporting suspected fraud or corrupt conduct is recommended to contact the Director, Legal Services for information as to whether he/she is able to receive protection under the PID Act.

This policy does not extend to disclosures made under the PID Act relating to a University matter as these will be managed in accordance with the PID Act. The Director Legal Services is responsible for managing disclosures made under PID Act.

## 7. Natural Justice

The person who is required to investigate the matter must:

- a. Ensure to the best of their ability that any statements made are true and fair.
- b. Act fairly and in good faith without bias, malice, ill will or with improper motives.
- c. Maintain strict confidentiality. Persons who investigate a matter may need to inform persons who have a duty to know about the issues of concern. All documentation must be stored and transmitted in a secure and confidential manner.

The person of interest has the right to:

- a. Consistent and fair decision-making.
- b. Equality in the treatment of individuals.
- c. The opportunity to respond to claims.
- d. The right to be fully informed on all aspects of the investigation, the direction of any action taken under these guidelines as well as any possible future consequences.
- e. The right to representation. The person of interest has the right to have an employee representative, family member or friend to represent them or to accompany them to any interview.

Although the person of interest has a right to the above, the timing of when to disclose information to the person of interest and when to afford him/her an opportunity to respond will vary with each investigation. The person who is the subject of the complaint will not initially be advised of any inquiries where this may prejudice future investigations. The Responsible Person, in consultation with the relevant Director or Dean, will have to make a decision on the timing of such disclosures based on the facts of the investigation. At an appropriate point during the process the person of interest will be advised of the complaint and will be afforded the opportunity to respond.

## 8. Initial Inquiry and Preliminary Investigation Process

[Appendix F](#) contains the process map for the investigation by the University into complaints of fraud and corruption. Relevant points to note are:

- a. If an employee has suspicions of fraudulent or corrupt activity, he or she should usually raise the matter with their immediate supervisor or manager. In some circumstances it may be more appropriate to take the matter to a more senior manager, a manager from another business unit such as Human Resources or Legal Services, or the Manager, Complaints resolution.
- b. If the person raising the matter has concerns of possible victimisation, it is recommended they contact the Director, Legal Services, the Director, Human Resources or the Manager, Complaints Resolution, who are the University's Public Interest Disclosure (PID) Officers (see clause 6 Complainant Protection at UWA).
- c. Such matters raised may be written or verbal. If the report to the manager is verbal, a written record must be made of the matter or complaint and that record should be verified by the complainant.

- d. Confidentiality in respect to information and personnel shall be maintained at all stages except in those circumstances described in clause 14 Confidentiality.
- e. The matter must be notified to the Senior Deputy Vice-Chancellor. Normally, this would occur through consultation with the relevant Dean or Director, and the Director, Human Resources or the Manager, Complaints Resolution.
- f. Where the Senior Deputy Vice-Chancellor has reasonable grounds for suspicion that fraud or corruption has occurred, he or she will arrange for the matter to be referred to the Crime and Corruption Commission of Western Australia (CCC). All referrals to the CCC will be settled by Legal Services and signed by the Vice-Chancellor.
- g. The manager of the employee raising the concern must inform the person raising the complaint as soon as possible if a decision is made not to refer the matter to the SDVC. The employee must also be advised of their right to take the matter directly to a more senior manager or the SDVC.
- h. If the employee who initially raised the complaint is not satisfied with the way in which the matter is resolved, he or she must follow the University's grievance procedures. Section 25 of the Crime and Corruption Commission Act 2003 also specifies that any person may make a report directly to the Crime and Corruption Commission.

## 9. Investigation File Management

The person investigating suspected acts of fraud or corruption must maintain an investigation file during the course of the investigation. The investigations file will ordinarily contain:

- a. Original Informant Documentation
- b. A Running Sheet which records the chronology of events that take place in the investigation
- c. File Notes
- d. Witness Statements
- e. Letters
- f. Obtained Documents
- g. Respondent Statements
- h. An Evidence Log
- i. Photographs/Sketches (where relevant)

This list is not exhaustive as other items may be contained within the investigation file. This will depend on the nature of the allegation or complaint made.

## 10. Corruption and Crime Commission

Section 28 (3) of the *Corruption and Crime Commission Act (WA) 2003* requires that the University must notify the Commission in writing and as soon as is reasonably practicable of any matter where it is suspected on reasonable grounds that fraud or corruption has occurred.

Reasonable suspicion requires the existence of facts which would result in a reasonable person holding a suspicion based on those facts.

The duty to notify is paramount and means that suspicions of fraud or corruption must be reported to the Commission as soon as is reasonably practicable after such suspicions have been formed. The *Corruption and Crime Commission Act (WA) 2003* does not make provision for any investigation to be completed before reporting.

These reporting procedures would apply to all levels of staff which fall under the definition of "Public Officer", which for the purposes of UWA refers to any employee of the University. In instances where the Vice-Chancellor forms the subject of a complaint the Director will report to the Chancellor. In instances where the Chancellor forms the subject of a complaint the Vice-Chancellor or Director will report the allegations directly to the Corruption and Crime Commission.

## 11. The UWA Code of Ethics and Code of Conduct

- a. The University's Code of Ethics is a statement of the ethical principles, values and behaviours required of staff and students at the University. It is based on three universal ethical principles, those of equity and justice, respect for people, and personal and professional responsibility.
- b. The Code of Conduct is a formulation of policies and rules that define the specific actions or procedures applicable to members of the University for a range of specific ethical issues.
- c. The Code underlines:
  - 1) The rights of employees to be treated fairly and equitably in the workplace;
  - 2) Avenues for resolving complaints or breaches of policies and codes; and
  - 3) The legal and ethical obligations and expectations of all students and staff to act in accordance with the expressed standards of conduct, integrity and accountability contained in relevant legislation, University policies and relevant Agreements.
- d. Acts in breach of the University's policy on Fraud and Corruption will also be contrary to the Code of Conduct. However an act found not to be fraudulent or corrupt may still be in breach of the Code of Conduct. Therefore, where an investigation has found that a particular act is not fraudulent or corrupt, the University may continue to investigate or to pursue action relating to a breach of University policy or the Code of Conduct.

## 12. The relationship between the University Policy on Fraud and Corruption and the University's Industrial Instruments, the University of Western Australia Act (WA) 1911

The University's policy on Fraud and Corruption is not intended to replace any of the University's Industrial Instruments, The University of Western Australia Act 1911 or any of the University's rules and regulations, but must be read in conjunction with these documents when dealing with acts of fraud and corruption.

However, the Universities Statute and Industrial Instruments are subordinate to the paramount duty for reporting suspected acts of fraud and corruption as required under Section 28 (3) of the *Corruption and Crime Commission Act (WA) 2003*. All suspected acts of fraud and corruption by University staff will be dealt with in accordance with the University's Policy on Fraud and Corruption and these guidelines.

## 13. Human Resources

Where the alleged offence involves fraud and corruption and a breach of discipline, the Director, Human Resources, will be responsible for ascertaining whether a breach of discipline has occurred. Disciplinary investigations will be in accordance with the relevant industrial instrument or policy and may proceed simultaneously with criminal investigations, subject to any directions from relevant external agencies.

## 14. Confidentiality

- a. The consent of an informant must always be sought before identifying the person. However the identifying information relating to an informant may be disclosed without the informant's consent where:
  - 1) it is necessary to do so, having regard to the rules of natural justice; or
  - 2) it is necessary to do so to enable the matter to be investigated effectively.
- b. In the event that it is necessary to disclose identifying information relating to an informant, the person making the disclosure must take all reasonable steps to inform the person whose identity is to be disclosed:
  - 1) that the disclosure is being made; and
  - 2) the reasons for the disclosure being made.

- c. Where identifying information in relation to an informant is conveyed to another person, that person must be made aware of the requirement to maintain confidentiality.
  - d. Identifying information relating to a person who is the subject of an investigation can be disclosed at the investigation stage where:
    - 1) it is necessary to enable the matter to be investigated effectively;
    - 2) there are reasonable grounds to believe that the disclosure of identifying information is necessary to prevent or minimise the risk of injury to any person or damage to any property.
  - e. The staff member subject to the complaint should not initially be advised of any inquiries where this may prejudice future investigations. The staff member will be advised of the complaint and will be afforded the opportunity to respond at an appropriate time.
  - f. Information related to any preliminary inquiry or investigation shall only be made available on a need-to-know basis. Notification of the staff member subject to the complaint shall be on the advice of the Director, Human Resources.
  - g. Managers are required to maintain confidentiality with respect to complaints or matters referred to them. Any statements, reports or letters containing potentially defamatory statements must be enclosed in a sealed envelope and clearly marked "Private and Confidential". Care must be taken in drafting such reports or letters to minimise potential damage arising from any remarks made in such correspondence. Staff members are reminded that such documentation is potentially discoverable under the *Freedom of Information Act, 1992*.
  - h. Any records arising from initial inquiries and preliminary investigations must be placed on a confidential central records file.
  - i. Great care needs to be taken in the investigation of suspected fraudulent and corrupt behaviour to avoid:
    - 1) unfounded and incorrect accusations
    - 2) unnecessarily and prematurely alerting individuals against whom allegations have been made and
    - 3) making statements that could expose the University to legal liability for damages arising from a wrongful accusation.
- b) Complainants, informants or management must not:
- 1) Attempt to personally conduct any formal investigations or interviews in order to determine whether or not a suspected activity is improper. However, this does not preclude management from conducting appropriate preliminary inquiries to determine whether or not there is a basis for the complaint and further action. Such preliminary inquiries must consider the constraints imposed by this policy.
  - 2) Contact the suspected individual(s) to determine facts or demand restitution.
  - 3) Discuss any facts, suspicions or allegations associated with the complaint with anyone, unless specifically directed by the Vice-Chancellor, SDVC or officers from the law enforcement or regulatory agencies.
- c) When taking action, the confidentiality of identifying information must be maintained.
  - d) The only additional exception, beyond those already identified in relation to investigations, is where disclosure of the identity of a person who is the subject of an investigation is necessary in taking action following the investigation.

## 15. Evidence Gathering

- a. Staff members are encouraged not to make anonymous complaints as they may be difficult to pursue if further information is required and anonymity will prevent the University reporting back to

any complainant. Well-substantiated anonymous complaints will, however, receive due and proper consideration.

- b. Complaints about suspected fraudulent and corrupt behaviour should be written, dated and signed by the complainant. Desired evidence characteristics are presented as [Appendix E](#) to this policy. The complainant should identify or provide evidence of the following to the extent that this detail is known or available to the complainant:
  - 1) The section and location of the alleged incident(s).
  - 2) Key personnel involved in the alleged behaviour.
  - 3) The nature of the alleged incident.
  - 4) The time period over which the alleged incident has occurred.
  - 5) An estimate of the monetary value, if appropriate, associated with the alleged incident.
  - 6) Documentary evidence in support of the alleged incident.
- c. Staff members conducting initial enquiries and preliminary investigations must preserve and secure any physical exhibits, including written and electronic material, with details of the persons known to have or suspected of having handled any exhibit. This is required for the process of elimination and for continuity purposes. A confidential central records (TRIM) file shall be created for this purpose.
- d. Where documents are required for further evidence, the original must be secured and a copy taken for working paper purposes. In no circumstances must the original document be tampered with or changed in any physical way. This would include writing on the document, punching holes in it etc.
- e. If discussion with a staff member who is the subject of a complaint is unavoidable (for example they may wish to confess) the discussion must occur in the presence of an appropriate third party and employees' representative who will take notes of the discussion.

## 16. Reporting

- a. Reports on any preliminary investigation into fraud and corruption must be prepared in the first instance by the Responsible Person and be reviewed by the SDVC. The reports will contain:
  - 1) An assessment as to whether the subject of the complaint has a *prima facie* case to answer.
  - 2) A recommendation as to whether or not the matter needs to be referred to an external agency and if so what action the University must take.
  - 3) Recommendations as to improvement in controls and processes that need to be implemented in order to minimise future recurrences of the behaviour identified by the complaint.
- b. Reports on preliminary investigations prepared under this policy will be sent to the SDVC as soon as is practicable. This will not apply in instances where the investigation revealed that the initial claims were unfounded or unsubstantiated.
- c. Reports regarding any suspicions of fraud and corruption must be forwarded to the Corruption and Crime Commission as soon as is reasonably practicable after such suspicions have been formed. Such reports are in the first instance to be forwarded to the Vice-Chancellor, before being sent to the Corruption and Crime Commission.
- d. Reports may also be sent to the WA Police, the Ombudsman or the Office of the Auditor General. Such reports are not to be sent without the express consent of the Vice-Chancellor.

If the investigation relates to a public interest disclosure, the person conducting the investigation must ensure that the outcome of the investigation is clearly and comprehensively recorded.

## 17. Policy Implementation Maintenance and Review

Human Resources is delegated the strategic responsibility for implementing, reviewing and amending the University's Policy on Fraud and Corruption and the associated Guidelines as appropriate.

## 18. Related Policies

Australian Standard 8001-2008 Fraud and Corruption control  
Corruption and Crime Commission Act 2003  
Criminal Code Act Compilation Act 1913  
Public Interest Disclosure Act 2003  
Public Interest Disclosure Regulations 2003  
The University of Western Australia Academic Staff Agreement 2009  
The University of Western Australia Code of Ethics and Code of Conduct  
The University of Western Australia General Staff Agreement 2009  
University Finance Manual  
University Policy on: Managing Misconduct (Professional Employees)  
University Policy on: Professional and Consultancy Work

## Appendix A - Hypothetical Examples of Fraud<sup>1</sup>

1. 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 (Appendix C), the list is neither definitive nor exhaustive.
  - 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 been 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.
  - Theft of money or equipment.
  - Failing to comply with the University's Professional and Consultancy Work Policy.
  - Misuse of fuel card.
  - Influencing the employment or approving the employment of a relative or close friend without proper authority.
  
2. 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.

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<sup>1</sup> Reference (with some changes) - *Fraud Prevention in the Western Australian Public Sector 1999 – a publication from the Ministry of the Premier and Cabinet.*

## Appendix B – The Corruption and Crime Commission- Risks Faced By Universities

The following fraud and/or corruption or 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 Consulting 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.

## Appendix C - Possible Indicators of Fraud

The following lists contain some of the possible indicators of fraud as well as work practices and employee behaviours which create an environment where fraud or corruption is more likely to occur. Any one of these indicators should act as a warning sign of a heightened risk of fraud, and the more indicators present, the higher is the risk of fraud taking place.

The presence of one or more of the following indicators of fraud or corruption cannot be taken as evidence that such behaviour is occurring. Such lapses in control may be the result of other factors. As a consequence, they should serve to raise awareness of risk and perhaps trigger closer monitoring or an informal review of systems or process. The scope of this policy must also be given appropriate consideration when analysing these factors to determine potentially fraudulent or corrupt conduct. Further, these indicators should not be taken to be exhaustive or definitive as they are only a guide. Please contact the Office of Risk Management & Audit Assurance should you need further guidance.

### Work Practices

- Missing expenditure vouchers & unavailable official records
- Crisis management coupled with a pressured business environment
- Excessive variations to budgets or contracts
- Bank reconciliations are not maintained or cannot be balanced
- Excessive movements of cash funds
- Unauthorised changes to systems or work practices
- Lowest tenders or quotes passed over with minimal explanation recorded
- Lost assets
- Absence of controls and audit trails
- Lack of clear financial delegation

### Employee Behaviour

- Refusal, evasion or excessive delays in producing files, minutes or other records;
- Unexplained employee absences
- Gambling while at work
- Borrowing money from fellow employees while at work
- Placing undated or post dated cheques in petty cash
- Personal creditors appearing at the workplace
- Covering up inefficiencies
- Excessive staff turnover in any specific position
- Employees with outside business interests or other jobs that conflict with their duties, other than those approved in connection with the University Consultancy Policy
- Signs of excessive drinking or drug abuse
- Managers bypassing subordinates, subordinates bypassing managers
- Secretiveness
- Marked character changes
- Excessive or apparent total lack of ambition
- Excessive control of records by one officer
- Refusal to comply with normal rules and practices

## Your own behaviour

The University's [Code of Conduct](#) suggests a test for monitoring your own behaviour by asking yourself three questions to judge whether your behaviour is ethical. In relation to fraudulent and corrupt behaviour, you can ask yourself the following three questions:

- Would I be happy to have what I am doing appear on the front page of the newspaper?
- Does what I am doing best serve the University's interests?
- Would I be happy if my colleague was behaving this way?

➤ **Appendix D – Anti-Fraud and Anti-Corruption Strategies**

1. *General*

The following anti-fraud and anti-corruption strategies are presented to assist management with the creation of an environment that minimises fraudulent and corrupt behaviour within the University. Further these strategies can be easily embedded into the University's Cycle of Planning and Responsibility. These strategies fall into three categories:

- a. Environment and Culture;
- b. Policy Development; and
- c. Staff Recruitment.

2. *Environment and Culture*

Fraud and corruption prevention strategies should be integrated into the University's planning processes and into research and supplier contracts and agreements. Managers at all levels must create an environment in which staff members believe that dishonest acts will be detected and investigated. To this end, they have a responsibility to ensure:

- a. Participation in management training that deals with the implementation of the University Policy on Fraud and Corruption;
- b. Proper supervision of staff members;
- c. That staff members understand that controls are designed and intended to prevent or detect fraudulent and corrupt behaviour;
- d. Employees are encouraged to report suspected fraudulent and corrupt behaviour directly to the appropriate manager without fear of disclosure or retribution;
- e. Vendors and contractors are required to agree in writing, as part of the contracting process, to abide by UWA policies and procedures;
- f. That known conflicts of interest are avoided by:
  - Not entering into contracts with parties known to have a conflict of interest without the express permission of a the Executive, and
  - Encouraging vendors and contractors to disclose potential conflicts of interest.

Measures to prevent fraudulent and corrupt behaviour should be subject to the University's Cycle of Planning and Responsibility. Process improvement as part of this cycle is particularly relevant as new systems, programs, processes and arrangements are introduced or modified.

3. *Policy Development*

Fraud and Corruption prevention and detection controls are embedded in various UWA policies including:

- a. Code of Ethics and Code of Conduct;
- b. University Finance Manual;
- c. Professional and Consultative Policy;
- d. Enterprise Wide Risk Management Policy;
- e. Sabbatical Policy;
- f. Recruitment and Selection Policy; and
- g. Travel Policy.

#### 4. *Staff Recruitment*

Recruitment policy and practice underpins fraud and corruption prevention. Management at all levels must support Human Resource recruitment strategies aimed at fraud and corruption prevention. These strategies include:

- a) Criminal background checks on employees, where the position warrants such a check;
- b) Contacting previous employers and referees; and
- c) Verifying transcripts, qualifications, publications and other certificates or documentation.

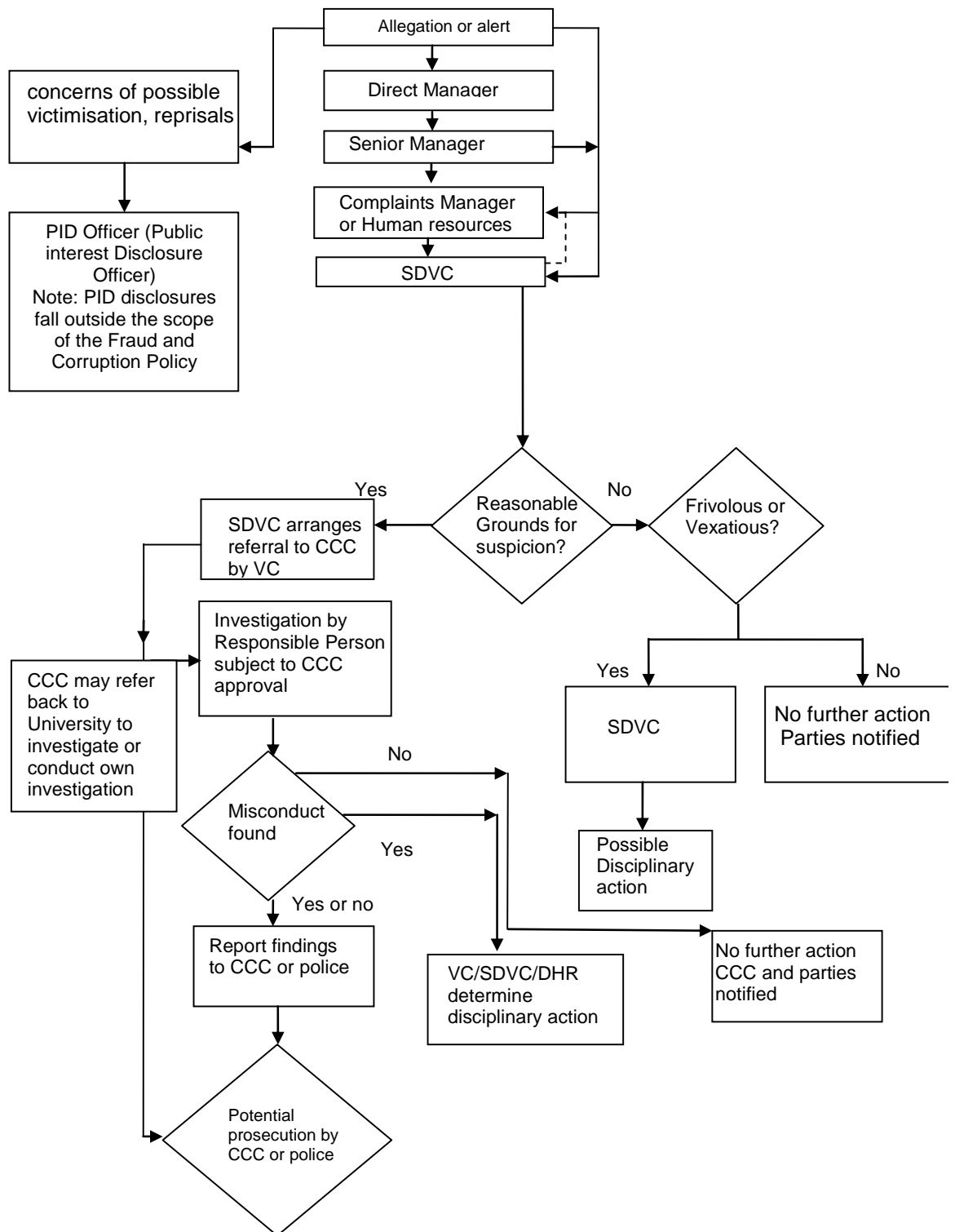
## Appendix E – Desirable Evidence Characteristics

Good evidence is crucial to initial inquiries and preliminary investigation. Evidence from initial inquiries and preliminary investigations may be used in further investigations and as such, must be the best that the University can obtain consistent with its powers. Ideally evidence gathered in support of an initial inquiry or a preliminary investigation must meet the following standards:

1. **Sufficient.** This means that the evidence, in total, is sufficient to prove or disprove an allegation beyond reasonable doubt. Sufficient evidence must be factual, adequate and convincing.
2. **Competent.** This means that any piece of evidence is the best possible available (from a primary source), is authentic (for instance, is a contemporaneous, complete record, not reconstructed or supplemented after the event) and complete (representative of all the facts, including those which may seem conflicting). Written evidence is more competent than verbal evidence; corroborative evidence from a third party with no interest in the complaint will be more persuasive than evidence from a party to the complaint. In short, competent evidence is reliable and the best available.
3. **Relevant.** This means that the evidence supports any findings and recommendations that relate to the objectives of the initial inquiry or preliminary investigation.
4. **Credible.** This means that the evidence is from a reliable source and can be considered believable.

The University acknowledges that it may not be possible under all circumstances to obtain evidence that meets these tests. These standards are provided to assist staff in their consideration of evidence collected in connection with either initial inquiries or preliminary investigations.

**Appendix F - Process Map for the investigation by the University into complaints of fraud and corruption**



**Responsible Person** means the person delegated by the Vice Chancellor, a Director or Dean, to investigate an allegation of fraud or corruption. The Responsible Person will typically be at the managerial level and can also be an external investigator.

**Note:** The flow diagram only relates to fraud and corruption covered by the CCC. University misconduct not covered by the CCC will be managed in accordance with the relevant University policy or industrial agreement.

## Acknowledgement

The Guidelines for Dealing with Fraud and Misconduct at ECU were used, with permission, as the basis of the Guidelines for Fraud and Corruption at UWA.