

The University of Western Australia

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 Risk and Legal 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?*