Fraud And Corruption Prevention Policy

Section 1 - Purpose and Scope

(1) The purpose of this Policy is to:

a. outline how the University detects, reports, assesses and deals with possible Fraud and Corruption;
b. support the University's Code of Conduct in promoting a fair and honest working and learning environment for the University community; and
c. confirm the University's commitment to identifying and combating Fraud and Corruption in the organisation.

(2) Fraud and corruption risk management is an important subset of the University's overall risk management framework. This policy should be read in conjunction with the University's Risk Management Policy.

(3) Reports of corrupt conduct may be classified as protected or public interest disclosure under the Public Interest Disclosures Act 1994 (NSW) (PID Act). This policy therefore applies and should be read in conjunction with the University's Public Interest Disclosures Policy.

Scope

(4) This Policy applies to:

a. all staff (including casual staff) of the University including those working in controlled entities and entities that are derived from the University's legal status; and
b. students or other parties who are in receipt of University funds or other material benefits (for example, support to attend a conference), in relation to the use or alleged use of those funds or other material benefits.

Section 2 - Definitions

(5) For the purpose of this Policy:

a. Corruption:
    i. in general terms means improper acts or omissions, improper use of influence or position, and/or improper use of information, and/or conduct by any person that adversely affects the exercise of official functions by public officials;
    ii. can also be defined as misuse of public office which involves a criminal offence, a disciplinary offence or reasonable grounds for dismissal;
    iii. 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 (refer clause (28) for further examples).
b. Fraud:
    i. 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.

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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 3 - Policy Statement

(6) Southern Cross University ("the University") will maintain the highest standards of ethical conduct. University staff must act ethically, fairly and honestly and are considered 'public officials' for the purposes of the Independent Commission Against Corruption Act 1988 (NSW).

(7) All those who carry out work and related activities for the University, or who are in receipt of University funding or other material benefit, will observe the highest standards of ethical conduct. Conduct that compromises public trust and confidence in the integrity and professionalism of the University and its officers and employees is unacceptable.

(8) The University will:

a. act to ensure that its operations are free from Fraud and Corruption;
b. facilitate the identification of Fraud and Corruption risks and encourage timely and effective responses to those risks, including reporting to the appropriate regulatory authorities;
c. subject all unacceptably high Fraud and Corruption risks to risk mitigation treatment in line with the University's overall risk management plans;
d. promote the prevention, detection and disclosure of suspected fraudulent and corrupt conduct;
e. take prompt and appropriate disciplinary or other action against any staff-member or other person who is found guilty of fraudulent or corrupt conduct in line with Section 4 - of this document and the Public Interest Disclosures Policy; and
f. report in a regular and timely fashion to the NSW Independent Commission Against Corruption (ICAC) and other appropriate law enforcement or regulatory authorities on matters of suspected corruption.

(9) The effectiveness of the Fraud and Corruption risk management program will be constantly monitored and regularly reviewed.

Responsibilities

Risk Management Committee of Council

(10) Fraud and Corruption prevention is a component of the overall risk management function of the University. The Audit and Risk Management Committee of Council overseas the University's risk management activities at the strategic level in accordance with the Committee's Terms of Reference.

Vice-Chancellor

(11) 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.

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

(12) All officers who accept responsibility for management of any part of the University's budget will ensure that accounting controls over the receipt and expenditure of public monies are in place, are operating effectively and

provide adequate safeguards against corruption.

(13) 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

(14) 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.

(15) 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

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

(17) 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.

Students or other parties

(18) Students or other parties who may be in receipt of University funding or other material benefit provided by the University have an obligation to account for the use of this funding/benefit to the same standards of probity as applies to staff members.

Section 4 - Procedures

Key Potential Risk Areas

(19) Where engaged in any of the following activities, all persons to whom this Policy applies must take the relevant preventative measures to minimise the risk of fraud and corruption occurring:

Employment of staff

(20) Preventative measures include:

a. ensuring recruitment practices are without favouritism, discrimination, nepotism, conflicts of interest;
b. ensuring working conditions are fair and without favouritism and responsive to the needs of the organisation; and
c. ensuring remunerations are accurate and appropriate.

Information systems (including academic records):

(21) Preventative measures include:

a. ensuring confidentiality is maintained and records are controlled and secure.

Tenders, contracts and the purchase and disposal of assets:

(22) Preventative measures include:

a. ensuring procedures for tendering are fair;
b. ensuring procedures for purchasing meet legislative and regulatory requirements and controls are in place to ensure accuracy and appropriateness;
c. ensuring disposal of assets is according to University policy, to the greatest benefit of the organisation.

Financial systems and procedures:

(23) Preventative measures include:

a. ensuring systems cannot be misused e.g. petty cash, use of University funds, use of corporate cards;
b. ensuring procedures for cashiering and reconciliations are appropriate and followed;
c. ensuring appropriate accountability for expenditure of funding;
d. ensuring security of financial assets.

Equipment and resources:

(24) Preventative measures include:

a. ensuring the University's resources are not utilised by staff or students for personal purposes.

When and how to report corruption

(25) All staff must report incidents or suspected incidents of fraudulent or corrupt conduct, either through internal mechanisms or to the relevant external body in accordance with the University's Public Interest Disclosures Policy.

(26) Under section 11 of the Independent Commission Against Corrupt Conduct Act 1988 (NSW) Act the University, through the Vice Chancellor, 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 and others reporting matters in accordance with the Public Interest Disclosures Policy as soon as they become aware of suspected corrupt conduct. Where practicable, this report should be made prior to conducting any formal internal investigation into the alleged corrupt conduct.

Timeframe for reporting

(27) Where practicable, this report should be made prior to conducting any formal internal investigation into the alleged corrupt conduct.

Section 5 - Guidelines

(28) The possibilities of corruption are numerous. The following are just some examples:

a. using taxi vouchers for private purposes;

b. personal use of university assets, including taking building or other materials or equipment from the area in which you work;
c. use of university time to pursue private interests/business;
d. receiving personal benefits in exchange for assisting a consultant to gain work at the University;
e. claiming for travel entitlement to attend a course and then not attending the course and not reimbursing travel monies;
f. misapplying government grant monies;
g. misappropriating official order forms to gain a personal benefit;
h. certifying the performance of service on claim vouchers without being certain that the service was really provided;
i. manipulating a tendering process to achieve a desired outcome;
j. favouring an applicant for employment on criteria other than merit;
k. manipulating the selection process for a staff appointment;
l. academic fraud e.g. plagiarism or inappropriate use or acknowledgement of another's work, misrepresenting qualifications on employment applications, etc.;
m. allowing a conflict of interest to undermine your independence;
n. writing off recoverable assets or debts;
o. making cheques out to false persons;
p. using IOUs in petty cash;
q. using counterfeit signatures;
r. using imaging and desktop publishing to produce apparent original invoices;
s. misusing or disclosing official information.

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