



Control of Fraud & Corruption
POLICY CORP 6.1

Relevant UTas Ordinance Rule and/or GLP No.	Ordinance 1 – Role of Council, Ordinance 3 Vice-Chancellor, Financial Policies on Accountability and Audit
Relevant State/Federal Govt. Legislation	University of Tasmania Act 1992 (Tasmania), Public Interest Disclosures Act 2002 (Tasmania)
Commencement Date	1 November 2007
Review Date	1 November 2008

POLICY STATEMENT

1 Intent

To establish a framework for the reporting, investigation and resolution of allegations of fraud and corruption made against staff and students of the University of Tasmania (UTAS) and UTAS controlled entities including:

- UTAS Innovation Ltd;
- UTAS Foundation Ltd;
- Southern Ice Pty Ltd; and
- all University Business Enterprises.

2 Scope

All staff and students of UTAS.

3 Objective(s)

UTAS is an honest and ethical institution that seeks to conduct its business to the highest standards of integrity and objectivity. In order to protect its financial systems, resources, assets, and the honesty and integrity of its staff, UTAS has put in place processes to control fraud and corruption to minimise the risk and impact of such activities.

UTAS has zero tolerance of fraud and corruption. Fraudulent or corrupt activity of any kind, including for the benefit of UTAS, will not be tolerated. All staff and students must, at all times, conduct themselves in a manner consistent with the law and UTAS rules regulations and policies.

4 Definitions and Acronyms

Corruption (from Australian Standard 8001) Dishonest activity in which a director, executive, manager, employee or contractor of the entity acts contrary to the interests of the entity 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.

DGL Director, Governance and Legal

Fraud (from Australian Standard 8001) 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 entity and whether or not deception is used at the time, immediately before or 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 improper use of information or position.

For the purpose of this policy, the definition has been broadened to include: an intentional or deliberate act to deprive UTAS or a person of something of value or to gain an unfair benefit using deception, false suggestions, suppression of truth, or other unfair means which are believed and relied upon.

Fraud and Corruption Register Register maintained by the Director, Governance and Legal used to record notified instances of suspected cases of fraud and corruption.

MRMAA Manager, Risk Management and Audit Assurance

UTAS University of Tasmania

'whistleblower' Is an employee, former employee, or member of an organisation (especially a business or government agency) who reports fraud or corruption by others within that organisation to those who have the power to take corrective action.

5 Policy Maker

Audit Committee

6 Policy Provisions

6.1 Fraudulent and Corrupt Activities

Fraudulent and Corrupt Activities include:

6.1.1 Theft

Includes direct theft of assets such as:

- equipment;
- consumables or supplies;
- intellectual property;
- cash;
- information; or
- time.

6.1.2 Illicit Use of Assets, Information or Services for Private Benefit

Unauthorised use for private purposes of:

- motor vehicles;
- equipment including computers, photocopiers and telephones;
- secretarial and other support; or
- confidential information.

6.1.3 Abuse of Official Responsibilities for Private Benefit

An individual uses his/her position to conduct corrupt practices such as:

- bribery;
- secret commissions or personal benefits – this can include the acceptance of gifts above the value of \$100 and other privileges where it could be perceived to influence an individual's judgement;
- improper use of privileged information; or
- favouritism in staff appointments.

6.1.4 Sale or Disposal of Assets, Information or Services at Less than Fair Value:

Including:

- low pricing;
- excessive discounts; or
- writing off debts.

6.1.5 Diversion of Assets

Diversion of assets involves the invalid authorisation of transactions to gain fraudulent access to funds. The principal risk lies in opportunities to make payments to private individuals, or external organisations, of funds that are intended for the University.

6.1.6 Payment for Goods and Services not Required, not Received or at Excessive Prices

Including:

- fictitious employees on the payroll;
- ordering equipment for personal use which is paid for by the University;

- falsifying/overstating travel claims; or
- “double dipping”, for example by charging expenditure to a UTAS purchasing card and also making a claim for reimbursement.

6.1.7 Falsification of Records

The amendment of both paper and electronic records or processing false documents leading to fraud or concealment of fraud.

Computers programs can be manipulated leading to the creation, or allowing the processing, of fraudulent data. They might also be used to remove evidence of fraud.

6.2 Administrative Responsibilities

6.2.1 Management

All levels of management are accountable for setting the appropriate tone of intolerance for fraudulent and corrupt acts by displaying the proper attitude toward complying with laws, rules, regulations and policies, including ethics policies.

All administrators should be cognisant of the risks and exposures inherent in their area of responsibility, and should establish and maintain proper internal controls that will provide for the security and accountability of the resources under their control. Advice on internal controls can be sought from the MRMAA in the first instance.

6.2.2 Key Personnel

Director Governance and Legal

The DGL has primary responsibility for the oversight and management of this policy, for fraud and corruption management and ensuring that fraud and corruption controls are in place.

Fraud Control Officer

The UTAS Fraud Control Officer is the DGL.

As Fraud Control Officer, the DGL has primary responsibility for the oversight and management of this policy and the management of fraud and corruption including compliance with the *Public Interest Disclosure Act 2002* (Tasmania) (the ‘Whistleblowers’ legislation).

Manager, Risk Management and Audit Assurance

The MRMAA has responsibility for assisting the DGL in the oversight and management of this policy and in ensuring that fraud and corruption controls are in place and for assisting the DGL in fraud and corruption management.

Chief Financial Officer

Is responsible, through the Director Financial Services, for ensuring that internal financial controls are implemented to detect and minimise the risk of fraud and corruption to the University's financial assets

Vice-Chancellor (Chief Executive Officer, General Manager)

Will in conjunction with the Director of Governance and Legal make the decision on whether to prosecute any particular case of fraud or corruption

6.2.3 UTAS Staff and Students

All staff and Students must, at all times, conduct themselves in a manner consistent with the law and UTAS rules regulations and policies and report suspected fraud and corruption per established procedures.

6.3 Reporting, Investigation and Action

6.3.1 General

All incidents of potential, suspected or actual fraud and corruption, outcomes of investigations of suspected fraud and corruption or information relating to a suspected fraud and corruption from external parties will be reported to the DGL.

The DGL will maintain the Fraud and Corruption Register, which will be used as the basis for meeting reporting requirements.

6.3.2 Reporting, Investigation and Disciplinary Action

Any University staff member or student who has a reasonable basis for suspecting a fraudulent or corrupt act has taken place has a responsibility to notify promptly one of the following:

- DGL; or
- the relevant Head of Budget Centre; or
- Director Human Resources.

The DGL, Director Human Resources and relevant Head will then review the evidence available. Based on the evidence a decision will be made as to whether to initiate formal disciplinary action or to undertake further preliminary investigation of the allegations.

In the case of allegations against a member of staff the formal disciplinary action will be taken in accordance with the relevant Termination of Employment and Disciplinary Action Procedures contained in the Human Resources Manual. In the case of allegations against a student, the formal disciplinary action will be taken in accordance with the Ordinance of Student Discipline.

In investigating any matter DGL, Director Human Resources and relevant Head will consider whether a disclosure is trivial, vexatious, misconceived or lacking in

substance. If this is the case they may recommend not to have the matter investigated.

If the notification of the suspected fraud or corruption is determined to be subject to the *Public Interest Disclosure Act 2002* (Tasmania) the DGL will invoke the appropriate UTAS Public Interest Disclosure Procedures and conduct the investigation in accordance with these procedures. Disciplinary action will be taken in accordance with established University procedures.

6.3.3 Protection of Employees Reporting Suspected Fraud

Under the *Public Interest Disclosure Act 2002* (Tasmania), UTAS makes every effort to protect staff and students who notify management of suspected fraudulent and corrupt activity from any form or threat of reprisal.

6.3.4 Anonymous Reporting

UTAS will put in place procedures to make disclosure anonymously. These disclosures will be investigated in accordance with 6.3.2 reporting Investigation and Resolution.

6.3.5 Reports to Law Enforcement Agencies

The DGL in conjunction with the Vice-Chancellor, will make the decision whether to prosecute any matter.

The DGL will be responsible for the preparation of any brief of evidence.

6.3.6 UTAS Reporting Requirements

The DGL will keep the Chair of Audit Committee informed on progress in relation to disclosures under this policy.

The DGL will promptly communicate the results of completed investigations to the Audit Committee, the Vice-Chancellor, the EDFA and the head of the relevant area.

The DGL will advise the Auditor-General of any incidents of fraud.

6.3.7 Internal Review Following Investigation of Fraud

If a fraud or corruption is discovered by appropriate investigation, the DGL will review the relevant controls associated with the fraud or corruption to determine where the system of internal control broke down and whether remedial action is necessary.

6.6 Control Strategies

6.6.1 Risk Assessment

Fraud and corruption risk management are an integrated part of the University's overall risk management framework and internal audit program.

To help manage potential fraudulent and corrupt activities MRMAA will undertake a programme of fraud and corruption risk assessments. These will be reviewed and updated annually to ensure that mitigation procedures are working effectively.

The areas of concern will be determined in a number of ways:

- advice of fraud consultants;
- discussion with UTAS management; and
- intelligence from fraud and corruption reports

Fraud risk assessments will also be performed for all UTAS entities.

Proposed actions that result from a fraud risk assessment will be treated as for a regular internal audit. Management comments and commitment to deliverable deadlines will be sought, and outstanding actions will be followed up through normal quarterly reporting to the Audit Committee.

6.6.2 Implementation of Detection Systems

To increase the level of control over transactions, and so reduce the likelihood of fraudulent and corrupt activity, systems for identifying fraud and corruption will be investigated, developed and implemented by the MRMAA.

These will include, but not be limited to:

- the fraud and corruption notification process;
- ongoing education and training for management and staff about fraud and corruption; and
- computer assisted audit techniques that detect unusual transactions.

6.6.3 Fraud Awareness

MRMAA will develop and implement fraud and corruption training and awareness programs. These will be directed at:

- ensuring that management understands its role and responsibilities in controlling fraud and corruption; and
- staff being made aware of how they should report potential fraud and corruption.

6.6.4 On-going Review of Fraud Control Strategies

The DGL will conduct an annual review of the fraud and corruption control arrangements in consultation with the Audit Committee.

The MRMAA will annually assess the University's fraud and corruption policy, procedures and plans and advise the DGL on adequacy, completeness and any necessary improvements.

6.7 Staff Matters

6.7.1 Pre-employment Screening

UTAS conducts reference checks prior to employment of a permanent staff member, and verifies their identity and formal qualifications claimed. Consideration will also be given to Police Checks for positions considered to have a high risk of fraud

6.7.2 Managing Conflict of Interest

On occasion staff may find themselves in a situation of potential conflict of interest between their employment by UTAS and their outside activities or interests. UTAS has the following policies which provide guidance in these matters

- Conflict of Interest Policy
- Consultancies
- University Representation on Outside Bodies.

6.8 Resources for Managing Fraud and Corruption

6.8.1 Establishing an Investigative Capability

The DGL will maintain within Governance and Legal an appropriate skill base to execute the Fraud and Corruption Control Policy. Appropriately skilled and experienced external resources may be required from time to time to execute specific aspects of the Policy.

6.8.2 External Assistance

The DGL may on occasion require the assistance of external organisations to assist with the development and review of fraud and corruption management controls, as well as provide expert resources to conduct investigations and as necessary, proceed with prosecution of persons found to have conducted fraudulent or corrupt activity.

7 Supporting/Related Documents

UTAS Public Interest Disclosure Procedures
UTAS Conflict of Interest Policy
UTAS University Representation on Outside Bodies
UTAS Consultancy Policy

8 Key Words

- Fraud
- Corruption
- Public Interest Disclosure

9 Supporting Procedures/ Guidelines

Fraud Incident Information Flow
UTAS Potential or Suspected Fraud & Corruption Notification Form

RESPONSIBILITIES

Implementation	Director, Governance & Legal
Compliance	Director, Governance & Legal
Monitoring and Evaluation	Director, Governance & Legal
Development and/or Review	Audit Committee
Interpretation and Advice	Director, Governance & Legal

WHO NEEDS TO KNOW THIS POLICY?

- All UTAS staff and students

EFFECTIVENESS OF THIS POLICY

- Number of cases of fraud and corruption that are detected
- Number of cases that are resolved effectively

POLICY HISTORY

Policy No.	CORP 6.1
Approved	Audit Committee (Resolution no. 07/A4/22)
Date	11 December 2007
Vice-Chancellor	Professor Daryl Le Grew
Signature	