

# Fraud, Corruption and Misconduct Policy

<b>Purpose:</b>	To establish and implement an integrated and systematic approach for the prevention, management and reporting of fraud, corruption and misconduct and to ensure compliance with misconduct notification and reporting obligations under the Corruption, Crime and Misconduct Act 2003.		
<b>Audience:</b>	Staff, members of Senate and Committees, students, contractors, external parties, regulatory bodies and public.		
<b>Contact Officer:</b>	Director Audit and Risk Management	<b>Phone:</b>	See Campus Directory

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## 1. Policy Statement:

Murdoch University is committed to maintaining a positive organisational culture that encourages good behaviour while ensuring that effective fraud and corruption control is an integral part of the University's activities and processes.

The University expects its staff members to behave with the highest standards of integrity and professionalism in undertaking their duties. All staff members have obligations in respect of their own conduct as employees of the University and are additionally responsible to act appropriately when they become aware of behaviour of colleagues that may constitute fraud, corruption and misconduct.

The fraud, corruption and misconduct control framework of the University includes the following:

- Fraud, Corruption and Misconduct Policy;
- Fraud and Corruption Control Plan; and
- Public Interest Disclosure Policy.

The Fraud, Corruption and Misconduct Policy represents the commitment of the University to effective fraud risk management and is essential in ensuring that the University conducts its operations and achieves its strategic objectives in an environment characterised by ethics, integrity, and transparency.

## 2. Objectives:

The objectives of the Fraud, Corruption and Misconduct Policy are:

- To promote and support a positive and collaborative working culture based on high standards of integrity, ethics and professionalism;
- To protect the University's assets, interests and reputation through an integrated and systematic approach to prevention, management and reporting of fraud, corruption and misconduct;
- To provide direction to staff in the event they become aware of incidents of suspected or actual fraud, corruption and misconduct; and
- To ensure that the University meets all of its misconduct notification and reporting obligations to the Corruption and Crime Commission (CCC) or Public

Sector Commission (PSC) under the Corruption, Crime and Misconduct Act 2003 (CCM Act).

### **3. Scope:**

This policy applies to all staff, contractors, members of Senate and Committees of the University and its subsidiaries. For the purpose of this policy, the term "staff" includes all full-time and part-time employees on continuous, fixed term or casual employment and adjunct and honorary appointments.

### **4. Definitions:**

The University has adopted the Australian Standard for Fraud and Corruption Control AS8001:2008 definitions of fraud and corruption that are stated below:

**Fraud:** Fraud is defined as dishonest activity causing actual or potential financial loss to any person or entity including theft of monies or other property by the University's staff or persons external to the University, where 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 for financial benefit.

**Corruption:** Corruption is defined as dishonest activity in which a staff member 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.

Examples of practices that might potentially constitute fraud and corruption but are not intended to form part of the definitions are detailed in Appendix 1 to this policy.

**Misconduct:** The University has adopted the CCM Act definition of misconduct for the purpose of this policy. Misconduct under the CCM Act generally occurs when a University staff member abuses authority for personal gain, causes detriment to another person or acts contrary to the public interest. Misconduct is characterised as "Serious Misconduct" and "Minor Misconduct".

**Serious Misconduct** occurs if a University staff member:

- Acts corruptly or corruptly fails to act in the performance of his/her official duty; or
- Corruptly takes advantage of his/her position for the benefit or detriment of any person; or
- Commits an offence which carries a penalty of two or more year's imprisonment.

**Minor Misconduct** occurs if a University staff member engages in conduct that:

- Adversely affects the honest or impartial performance of the functions of the University or a staff member, whether or not the staff member was acting in his/her official capacity at the time of engaging in the conduct; or
- Involves the performance of functions in a manner that is not honest or impartial; or
- Involves a breach of the trust placed in the staff member; or
- Involves the misuse of information or material that is in connection with his/her function as a staff member whether the misuse is for his/her benefit or for the benefit or detriment of another person;

**and**

- Constitutes, or could constitute, a disciplinary offence providing reasonable grounds for termination of a person's office or employment.

**Administrative Head** refers to a Director of an Office, Dean of a School, Head of a Centre and members of the University's Senior Executive Group.

**Integrity Officer** of the University is the Director Audit and Risk Management.

**Reasonable time** for the purpose of this policy is that amount of time which is fairly necessary to report actual or suspected fraud, corruption and misconduct to the appropriate person as soon as circumstances permit.

## **5. The University's approach to fraud and corruption:**

The University's approach to fraud and corruption detection and prevention is stated in the Fraud and Corruption Control Plan, which is based on the Australian Standard for Fraud and Corruption Control AS 8001:2008.

## **6. Roles and responsibilities:**

### **6.1. Senate and Audit and Risk Committee**

Senate oversees and monitors the fraud, corruption and misconduct control framework through its Audit and Risk Committee (ARC). Senate is responsible for the approval of the University's Fraud, Corruption and Misconduct Policy and seeking assurance that the University has appropriate controls, processes and systems in place to minimise and manage fraud, corruption and misconduct.

### **6.2. Vice Chancellor**

The Vice Chancellor is responsible for ensuring that appropriate controls, processes and systems are in place for:

- The prevention and detection of fraud, corruption and misconduct; and
- Complying with all misconduct notification obligations under the CCM Act.

The Vice Chancellor is ultimately responsible for ensuring that the University complies with all notification and reporting obligations under the CCM Act.

### **6.3. Director Audit and Risk Management**

The Director Audit and Risk Management is responsible for the following:

- Developing, reviewing and updating the University's Fraud, Corruption and Misconduct Policy and Fraud and Corruption Control Plan;
- Providing advice and guidance on fraud, corruption and misconduct related matters;
- Performing preliminary assessments, on being notified of any suspected or actual incidents of fraud, corruption and misconduct, which includes undertaking appropriate enquiries or investigations, or directing other persons to do so;
- Undertaking or causing to undertake necessary further investigations and providing appropriate reports and information to ensure that the University meets its reporting requirements to the PSC and CCC.
- Reviewing progress reports from areas on the implementation of fraud control strategies;

- Providing an overarching fraud risk assessment of the University based on fraud risk assessments performed by management within their areas of responsibility; and
- Ensuring that internal audits are planned and conducted in accordance with the fraud detection, deterrence and response provisions of The Professional Practices Framework of the Institute of Internal Auditors.

In the event of any suspected fraud, corruption and misconduct in Audit and Risk Management Office, the Vice Chancellor (or other role delegated by the Chancellor where appropriate) shall appoint an independent investigator to investigate the matter.

#### **6.4. Management**

Management has the following responsibilities:

- Demonstrating a high level commitment to the prevention of fraud, corruption and misconduct and promoting staff awareness;
- Developing and updating fraud risk assessments and ensuring there are adequate internal controls in place within their areas of responsibility;
- Reporting within a reasonable time any incidents of suspected or actual fraud, corruption and misconduct that they become aware of, to the University's Integrity Officer;
- Ensuring that recommendations relating to fraud and corruption contained in internal and external audit reports and any other reviews are implemented within the agreed timeframe; and
- Providing necessary information and cooperation in relation to any assessment or investigation related to fraud, corruption and misconduct.

The People and Culture and Finance Offices are responsible for notifying within reasonable time any incidents of suspected or actual fraud, corruption and misconduct that they become aware of, to the University's Integrity Officer for the purpose of proper assessment and investigation, and for providing necessary information and cooperation in the conduct of any such assessment or investigation.

#### **6.5. Staff members**

All staff members have the following responsibilities:

- Reporting all incidents of suspected or actual frauds, corruption and misconduct that they become aware of to the appropriate person within a reasonable time. The appropriate person for this purpose will be one of the following:
  - The Administrative Head of the staff member; or
  - The Integrity Officer; or
  - The University Secretary.

Alternatively, staff members can make a Public Interest Disclosure under the Public Interest Disclosure Act 2003 (PID Act) and in respect of disclosures made so, further actions including investigation procedures are governed by the provisions of the PID Act. Further information is available in the University's Public Interest Disclosure Policy.

- Providing evidence, attending hearings and co-operating in any fraud, corruption and misconduct related enquiries;
- Actively complying and encouraging compliance with all internal controls, policies, plans and procedures of the University related to fraud, corruption and misconduct; and
- Acting in good faith and in the best interests of the University at all times.

#### **6.6. External parties**

All external parties who become aware of any suspected fraud, corruption and misconduct within the University are requested to contact the University's Integrity Officer, PSC or CCC with relevant information.

### **7. Confidentiality:**

Information received by the University in relation to fraud, corruption and misconduct will be managed appropriately in accordance with the principles of privacy, confidentiality and natural justice. The details of the reporting person will be maintained with the strictest confidentiality, except where the person's written consent is obtained or it is required to be disclosed under any law or for the purpose of further investigation or to follow the principles of natural justice. In respect of disclosures made under the PID Act, confidentiality will be governed by the provisions of the PID Act.

### **8. Review:**

The policy will be reviewed every three years for adequacy and effectiveness by the Director Audit and Risk Management or earlier if the situation warrants due to change in legislation or any other significant development.

#### **Supporting Procedures:**

There are no supporting procedures.

#### **Supporting Guidelines:**

[Corruption and Crime Commission and Public Sector Commission Notification Guidelines](#)

#### **Supporting Standards:**

Australian Standard for Fraud and Corruption Control AS 8001:2008

#### **Performance Indicators:**

There are no performance indicators.

#### **Related Documents:**

[Fraud and Corruption Control Plan](#)

[Conflict of Interest Policy](#)

[Public Interest Disclosure Policy](#)

[Corruption, Crime and Misconduct Act 2003](#)

[Public Interest Disclosure Act 2003](#)

[Staff Code of Conduct](#)

[Code of Ethics](#)

[Risk Management Policy](#)

### References:

There are no references.

### Approval and Implementation:

<b>Approval Authority:</b>	Senate
<b>Responsible Officer(s):</b>	Director Audit and Risk Management

### Revision History:

Version	Date Approved	Effective Date (if later than 'Date Approved')	Next Review Date	Resolution No. (if applicable)
Approved	06/09/2017		28/08/2020	S/25/2017
Recommended by ARC for approval	28/08/2017			ARC/18/2017
Administrative amendments	03/04/2017			
Approved	29/01/2015		08/01/2017	S/06/2015
Recommended by ARC for approval	08/01/2015			ARC/01/2015
Approved	20/06/2014		20/06/2016	S/16/2014
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