Curtin University

INTEGRITY FRAMEWORK

Fraud and Corruption Control Plan

CORPORATE SERVICES

Feb 2019

| Version	Author	Date	Changes
1.0	Charlie Bertilone	13 May 2013	Initial draft
2.1	Charlie Bertilone	May-Jun 2013	Updated: comments from first round of consultation
2.2	Charlie Bertilone	Jul-Aug 2013	Updated: comments from second round of consultation
2.3	Charlie Bertilone	Sept 2013	Updated: document reviewed, updated and re-formatted
2.4	Charlie Bertilone	Sept 2013	Updated: comments from third round of consultation
2.5	Charlie Bertilone	Oct 2013	Updated: further response to comments from third round
2.6	Charlie Bertilone	Oct 2013	Updated: final draft
2.7	Charlie Bertilone	Nov-Dec 2013	Updated: further to comments received from P&MC and to align this Plan with Compliance Plan requirements for relevant legislation
2.8	Charlie Bertilone	Mar 2014	Updated: for review with Vice-Chancellor and VP CR&D
2.9	Charlie Bertilone	Apr 2014	Updated: subsequent to meeting with the Vice-Chancellor and VP CR&D
2.10	Charlie Bertilone	May 2014	Updated: subsequent to comments received at P&MC meeting on 27/5/14
2.11	Charlie Bertilone	Sept 2014	Updated: Merger of PSCU with Fraud and Corruption Prevention roles
2.12	Charlie Bertilone	Jan 2016	Updated: minor administrative changes
2.13	Charlie Bertilone	Jun 2016	Updated: removed reference to Guiding Ethical Principles
2.14	Charlie Bertilone	May 2018	Updated: minor administrative changes, new campuses, changed job titles, new international standards
2.15	Charlie Bertilone	Feb 2019	Updated: minor administrative changes

Contents

1.   BUSINESS CASE

1.1   Introduction

1.1.1   *Fraud and corruption a*re risks to University business that can have a similar detrimental impact as other types of business risk e.g. financial loss, reduced staff morale, loss of employment, increased external oversight and even possible deregistration. Academic dishonesty in particular can have a devastating effect on the University's reputation and result in reduced attractiveness to potential students, funding bodies and employers.

1.1.2   Some examples of the fraud and corruption risks to which any university may be exposed are outlined in Appendix 3.

1.1.3   The University, as both a Commonwealth-funded and regulated public university and a Western Australian state public authority, recognises its prominent role in the wider community and the need to operate within an appropriate governance framework[1].

1.1.4   Consequently, the University must be able to demonstrate effective management and control of its business risks, including fraud and corruption, so as to provide assurance to students, industry, staff, Council, regulators, Government, the community and other stakeholders that it has a systematic pro-active approach to risk as part of overall University governance.

1.2   University assurance context

1.2.1   Multiple inter-related functions work together within the University to provide ongoing assurance to the Council and other stakeholders that the University's risks are being properly managed.

1.2.2   In the model outlined below, these functions are grouped (according to their purpose) in three distinct "lines of defence"[2]:

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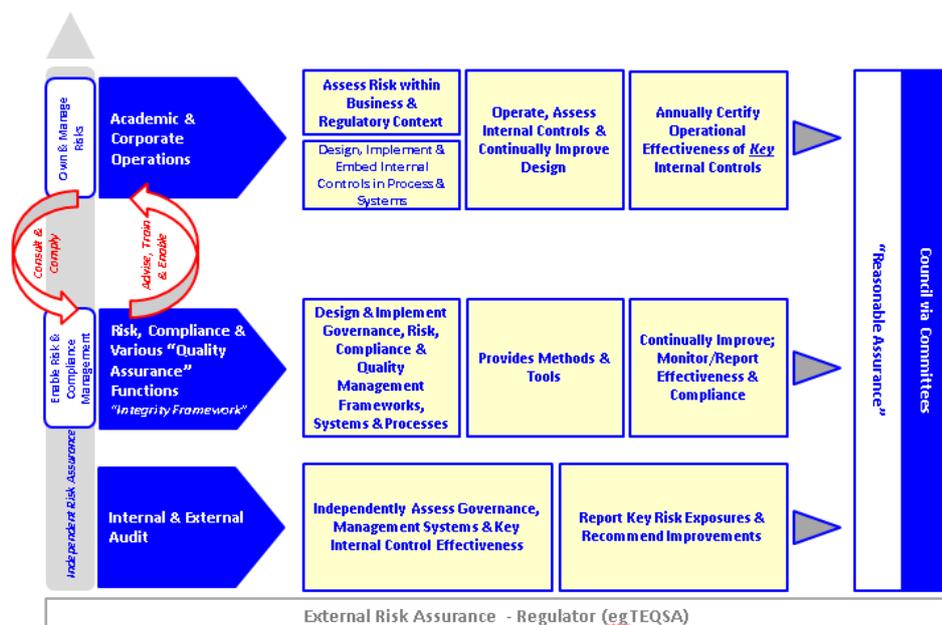
[1] *Corporate Governance Statement*, Curtin University, September 2012
https://secretariat.curtin.edu.au/resources/governance.html
[2] Adapted from the Institute of Internal Auditors Position Paper: *The Three Lines Of Defence In Effective Risk Management and Control*, January 2013

1.2.3   The control of Fraud and Corruption risks sits in the second line which provides guidance, oversight and support to the first line. The function itself may also be the subject of review by independent assurance providers located in the third line.

1.3   Objective

1.3.1   The University's **Fraud and Corruption Control Plan ("the Plan")**, as presented in this document, presents a structured approach to managing fraud and corruption risks that may be committed:

- **against** the University, whether from internal or external sources; or
- **by or in the name** of the University.

1.3.2   The Plan reflects the University's zero tolerance approach to fraudulent and corrupt conduct and its commitment to upholding the highest standards of academic, professional, business and personal integrity.

1.4   Guidance

1.4.1   The Plan was developed to align with the core elements of the Australian Standard on Fraud and Corruption Control: AS 8001-2008, and took into consideration similar plans developed by other public universities and public sector agencies in Australia.

1.4.2   Guidance was also sought from other Australian standards, International internal auditing standards, Australian external auditing standards, relevant state-based legislation, Australian oversight / regulatory agencies, and various best practice guides and manuals. These are acknowledged by way of footnotes on each page.

1.4.3   The approach taken in developing the Plan is supported by a previous review of fraud detection and prevention within selected Western Australian public sector agencies by the Office of the Auditor General (OAG)[3]. In the report, the OAG commented:

... A fraud and corruption control plan is the first step in the integral management of fraud and corruption as a business risk.

and

We looked for better practice on controlling fraud and corruption and determined that the Australian Standard AS 8001-2008 Fraud and Corruption Control (the Standard) was the most appropriate tool to assess the effectiveness of agency preparedness.

1.5   Legislative and regulatory context

1.5.1   The need for the University to demonstrate effective management of fraud and corruption risks to a broad range of different external stakeholders is closely associated with the legislative and regulatory environment within which the University operates (or has the potential to operate):

1.5.1.1   **Criminal Code Act Compilation Act 1913 (WA)**. Staff are defined as *public officers* under this act. Chapters XII & XIII make it illegal for a public officer to:

- Disclose official secrets
- Seek or receive a bribe

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[3] *Fraud Detection and Prevention in the Public Sector*, Office of the Auditor General Western Australia, Report 7 – June 2013
https://audit.wa.gov.au/wp-content/uploads/report2013_07.pdf

- Act corruptly to gain a benefit
- Falsify a record
- Impersonate a public officer

1.5.1.2 **Criminal Code 1995 (Clth).** The bribing of overseas foreign officials by Australian citizens, residents or companies, regardless of where such acts take place is an offence under this act (Division 70).

1.5.1.3 **Corruption, Crime and Misconduct Act 2003 (WA)**. The University comes within the jurisdiction of the Corruption, Crime and Misconduct (CCM) Act. Division 1, Section 3 of this act defines *serious misconduct.* Fraudulent (i.e. dishonest) or corrupt conduct by staff, as public officers, is covered by this definition and must be reported to and may be investigated by the Corruption and Crime Commission.[4]

The Director Integrity and Standards Unit (ISU) is the Compliance Officer for this legislation.

1.5.1.4 **Public Interest Disclosure Act 2003 (WA)**. As a *public authority*, the University comes within the jurisdiction of the Public Interest Disclosure (PID) Act in relation to the disclosure, processing, investigation and reporting of *improper conduct*, and the protection of people who make such disclosures. *Improper conduct* has a broad reach and includes any protected disclosures made relating to fraudulent or corrupt conduct by the University in its capacity as a public authority.

The Director ISU is the Compliance Officer for this legislation.

1.5.1.5 **TEQSA – Higher Education Standards Framework (Threshold Standards) 2015**. The University is required to demonstrate compliance with these standards, under the TEQSA Act 2011 (Clth). In relation to fraud and corruption, Provider Registration Standard 6.2 requires that a provider assure itself, inter alia that:

> *… risks to higher education operations have been identified and material risks are being managed and mitigated effectively.*

The Director Quality Enhancement is the Compliance Officer for this legislation.

1.5.1.6 **Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Clth).** The prime purpose of this act is to regulate financial transactions within an organisation in a way that helps detect and prevent money laundering and terrorism financing.

The obligations placed upon the University by the Act depend on the "designated services" provided by the University e.g. identification and verification of customers and reporting of suspicious transactions above a threshold are covered. However, the Act also adopts a risk-based approach which means the University can determine the best method for achieving compliance having regard to the risks applicable.

1.5.1.7 **Overseas Anti-Bribery and Corruption Legislation**. Locating and developing international campuses or promoting the enrolment of international students may each involve employees or agents of the University liaising or negotiating with officials in foreign jurisdictions.

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[4] NOTE: *Misconduct* as defined in the CCM Act should be distinguished from its meaning in the University's Staff Agreement and other University policies, where it may refer to conduct which is unsatisfactory or contrary to the Curtin *Code of Conduct* but which is not necessarily fraudulent or corrupt.

As some overseas anti-bribery regimes in particular have wide-ranging extra-territorial effect, the University could be held liable for the corrupt conduct of its staff, partners and agents operating within these countries if it has failed to implement and maintain an adequate anti-bribery and corruption framework. Of particular relevance to the University are the following acts:

- Bribery Act 2010 (UK)
- Foreign Corrupt Practices Act 1977 (US)
- Anti-Corruption Commission Act 2009 (Malaysia)
- Prevention of Corruption Act 1993 (Singapore)
- UAE Penal Code - Federal Law 3/1987 (Dubai)
- Prevention of Corruption Act 2002 (Mauritius)

These acts reflect ever increasing global attention being paid to fraud and corruption, and in particular, bribery. This in turn is driving external entities, as a condition of engaging with the University as a partner, client or supplier, to insist by way of more rigorous due diligence processes that the University sufficiently demonstrates its commitment to effective fraud and corruption control. As such, evidence of a strong fraud and corruption control framework in operation is fast becoming a business imperative. For more information on compliance requirements, refer to Appendix 4.

The Director ISU is the Compliance Officer for these items of legislation.

2. PLAN OVERVIEW

2.1 Themes

2.1.1   The Plan proposes a framework for fraud and corruption control in the University based on three key themes:

- **Prevention** – pro-active measures designed to help reduce the risk of fraud and corruption occurring in the first place.
- **Detection** – measures designed to uncover incidents of fraud and corruption as close as possible to the time when they occur, or before they occur by identifying attempts or acts in preparation.
- **Response** – reactive measures designed to investigate, take any necessary corrective action, impose sanctions and remedy the harm caused by fraud or corruption.

2.2 Structure

2.2.1   The above themes are described in sections 3 to 5 below.

2.2.2   Within each section are a series of tables each of which comprises: an Expected Outcome, External References and one or more Expected Controls:

Expected Outcome
An overall outcome expected in support of the theme

External Reference(s)
One or more external references that validate the relevant outcome

Expected Controls
The individual controls which, if present, collectively support the achievement of the expected outcome
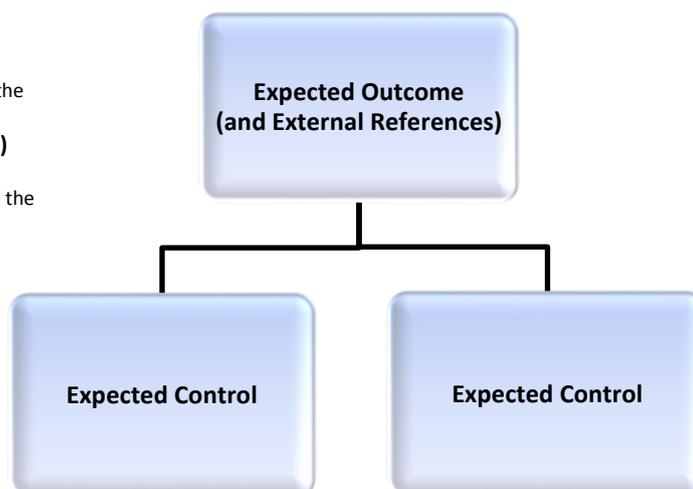
2.3 Implementation

2.3.1   The **Fraud and Corruption Control Internal Work Program ("the Program")** is an integral part of the Plan and brings together the actions required to initially implement the Plan and then monitor it on an ongoing basis.

2.3.2   The ultimate objective of the Program is to ensure that expected outcomes are achieved through the ongoing effective operation of associated expected controls.

2.3.3   As requested by the Planning and Management Committee at its meeting on 27/5/14, the Program has been separated from the Plan.

2.4 Definitions

2.4.1   The Plan contains a number of commonly used terms that are described in Appendix 2:

- Bribe
- Control
- Corruption
- Executive manager
- External parties
- Facilitation payment
- Fraud
- Fraud and corruption risk assessment
- Manager
- Public officer
- Risk
- Staff
- Student

2.5   Scope

2.5.1   Within the context of the above definitions, the Plan covers all staff and all areas of the University's business including its academic, administrative, research, consultancy and commercial activities, as well as the operations of its controlled entities – regardless of their physical location.

2.5.2   To varying degrees and as specified in this document, the Plan covers a variety of external stakeholders including students[5], external parties and the general community.

2.6   Resourcing

2.6.1   The University ensures that an appropriate level of resources is applied to controlling fraud and corruption risk through the implementation and maintenance of the Plan.

2.6.2   Resourcing includes the allocation of specialised personnel to implement and oversee the University's fraud and corruption control activities, to coordinate the fraud and corruption risk assessment process, to record and collate fraud and corruption incident reports and to conduct or coordinate the University's investigations into allegations of fraud and corruption.

2.7   Communication

2.7.1   Regular internal communication on the framework described in the Plan occurs to ensure all staff are kept informed of fraud and corruption control issues including current best practice.

2.7.2   The University's commitment to the framework described in the Plan is communicated to relevant external parties and the general community.

2.8   Roles

2.8.1   The agreed roles of the internal stakeholders involved in the development, implementation or maintenance of the Plan are listed in Appendix 1.

2.9   Review

2.9.1   Once implemented, regular review of the Plan is necessary to identify and understand reasons for any non-conformance and to identify and design measures for improvement

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[5] NOTE: Students are expected to conduct themselves in a manner consistent with the values and standards of the University. However, student misconduct (which includes academic record fraud, academic misconduct and general misconduct) is dealt with by the University in accordance with Statute 10 (*Student Discipline*) and associated rules.

via a revised Plan.

2.9.2   While this occurs formally at least every two years, the University also views the Plan as being in a constant state of evolution given the rapidly changing environment in which the higher education sector operates and the changing nature of fraud and corruption e.g. the following events may trigger an immediate review of the Plan:

- Any significant fraud or corruption event.
- Identification of any significant trends in fraud or corruption locally or globally.
- Identification of areas of vulnerability.

3.   PREVENTION THEME

3.1   Sound values-based culture

EXPECTED OUTCOME 3.1
The University has a healthy and sustainable values-based culture where shared values are continually demonstrated in the decision-making, actions and behaviours of people at all levels of the organisation.
External Reference(s)
Establishing an ethical culture is a key element of sound governance and is an important factor in preventing fraud and helping to detect it once it occurs [6]
Expected Control Description
✓   **TONE AT THE TOP**: The Executive Management group recognises the need for establishing and maintaining a values-based culture and actively promotes such a culture e.g. by demonstrating values-based decision-making.
✓   **RESPONSIBILITY:**   A senior person is assigned responsibility for ensuring the University's values-based projects and programs are implemented and monitored.
✓   **COMMITTEE OVERSIGHT**: The work of the above referred senior person is overseen by a relevant University committee which has overall responsibility for the values-based culture and dealing with related issues that cannot be resolved by management.
✓   **CODE OF CONDUCT**: A comprehensive Code of Conduct exists which incorporates both a high level aspirational statement of values and an agreed set of professional standards of conduct that are expected of staff, students and external parties.
✓   **COMMUNICATING THE CODE OF CONDUCT**: There is a program for communicating the importance of University values and professional standards reflected in the Code of Conduct to staff, students and external parties.
✓   **PERFORMANCE REVIEWS**:   The need for staff to adhere to the Code of Conduct and all necessary University direction in connection with conflicts of interest, receipt of gifts, disclosure of confidential information and other relevant values-based policies or procedures is incorporated as an expected behaviour within the University's performance management systems.
✓   **REWARDS AND RECOGNITION**: Staff are formally recognised and/or rewarded for demonstrating Curtin's values in their day-to-day duties.
✓   **BENCHMARKING**: A program exists for benchmarking of the professional standards which incorporates acting on feedback received from staff, students and external parties on the standards' effectiveness, and is aimed at identifying improvements to the Code of Conduct over time.
✓   **VALUES-BASED CONCERNS (COMMUNICATION)**: Existing reporting channels enable potential and actual values-based concerns raised by staff, student and external parties to be communicated to relevant officers within the University for further action.
✓   **VALUES-BASED CONCERNS (TRENDS**): Monitoring of values-based issues occurs as an integral part of existing risk management and reporting systems to identify the existence of pervasive or persistent matters, or unhealthy trends, and address them.

3.2   Management commitment

EXPECTED OUTCOME 3.2
Managers have an observably high level of knowledge of, and commitment to, controlling the risks of fraud and corruption.

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[6] *Fraud Control in Australian Government Entities (Attorney-General's Department, Australian Institute of Criminology)*, Australian National Audit Office, May 2010
https://www.anao.gov.au/sites/default/files/ANAO_Report_2009-2010_42.pdf

EXPECTED OUTCOME 3.2

External Reference(s)

Entities exhibiting 'best practice' in the control of fraud and corruption will invariably have a senior management group that recognizes the need for fraud and corruption prevention and detection even in the absence of recently detected incidents[7]

Expected Control Description

✓ | **KNOWLEDGE**: Managers have, as a minimum, an understanding of the following fraud and corruption issues:
- The incidence of fraud and corruption in Australia.
- The types of fraud and corruption common within the higher education sector and the losses typically associated with conduct of this type.
- The types of fraud and corruption that have been detected in the University in the last five years and how those matters were dealt with.
- The University's own fraud and corruption control strategy.
- The robustness of the University's internal control environment in terms of its ability to prevent and detect the types of fraud and corruption likely to occur.
- Knowledge of new technology tools for detecting and preventing fraud.
- Relevant State, Commonwealth and overseas anti-fraud and anti-corruption laws and regulations that may affect the University.

✓ | **COMMITMENT**: Managers exhibit, on a day-to-day basis, their commitment to controlling fraud and corruption risks e.g.
- This commitment is embedded in the University's Values statement and Code of Conduct.
- Formal statements are issued to relevant stakeholders that stress the importance of fraud and corruption risk mitigation, acknowledge the University's inherent vulnerability to fraud and corruption, and establish the responsibility for each person within the University to support fraud and corruption risk management.
- Responses are sought to questions on and requests for formal assurance are made as to, the state of the Plan and its effectiveness.
- The University's Annual Report includes the Council's and Management's position on fraud and corruption control.

3.3   Risk assessment

EXPECTED OUTCOME 3.3

The University is fully aware, at any time, of the fraud and corruption risks that it is exposed to and manages those risks in an appropriate and cost effective manner.

External Reference(s)

Developing an effective fraud and corruption control program requires a comprehensive understanding of an organisation's risks and vulnerabilities[8]

Expected Control Description

✓ | **POLICY**: The University's policy on fraud and corruption control, which supports the Plan, has been developed after consultation with stakeholders and is kept up-to-date.

✓ | **RISK ASSESSMENT**: A comprehensive assessment is performed of fraud and corruption risks on a periodic basis, in accordance with:
- AS/NZS ISO 31000-2009 Risk Management – Principles and Guidelines.
- The University's Risk Management Policy and associated procedures.

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[7] AS 8001-2008 *Fraud and Corruption Control*, Standards Australia, Sydney, 2008
[8] *Fraud and Corruption Control: Best Practice Guide,* Crime and Corruption Commission, Qld, Mar 2018
   http://www.ccc.qld.gov.au/corruption-prevention/fraud-and-corruption-control/fraud-and-corruption-control-best-practice-guide

EXPECTED OUTCOME 3.3

✓	**RISK TREATMENT PROGRAM**: An effective program exists that specifically addresses unacceptable fraud and corruption risks by way of: • Agreed action plans. • Independent follow-up/escalation of matters not addressed.

3.4   Internal control systems

EXPECTED OUTCOME 3.4

University business processes, particularly those assessed as having a higher inherent risk of fraud and corruption, are subject to rigorous systems of internal control that are well documented, updated regularly and understood by staff.

External Reference(s)

Internal controls play an important role in preventing and detecting fraud and corruption[9]

Expected Control Description

✓	**CONTROL CONSCIOUSNESS**: There is a strong internal control culture within the University in which staff understand the importance of adhering to internal controls.
✓	**RISK FOCUSED**: Internal controls are risk focused i.e. they are developed after the University has taken into account the risks it faces and are aimed at mitigating those risks.
✓	**KEY CONTROLS**: Key internal controls within University business units are sufficiently documented and maintained in an up-to-date condition, readily accessible to staff, and appropriate to their level of responsibility and defined duties.
✓	**NEW SYSTEMS AND PROCESSES**: There is appropriate consideration of the risks of fraud and corruption in the development of new, or changes to, corporate systems and processes in the University, and in the acquisition of new proprietary systems. Where new risks arise that need to be managed, the Fraud and Corruption Risk Assessment is reviewed and appropriately updated.
✓	**ANNUAL CERTIFICATION**: All managers are required to certify, at least annually, their compliance with the University's systems of internal control for the previous period, and these managers are held to account for their responses.
✓	**INTERNAL AUDIT PROGRAM**: The approved internal audit work plan each year incorporates risk-focused reviews of adherence by business units to systems of internal control.

3.5   Staff awareness, education and training[10]

EXPECTED OUTCOME 3.5

Staff have a demonstrable knowledge of what constitutes fraud and corruption in, by or against the University, what is expected of them in terms of their behaviour, and how they should respond if this type of activity is suspected or detected.

External Reference(s)

The organisation should provide training to develop awareness in employees, stakeholders and the community that fraud and corruption are not acceptable, and that the organisation operates on a zero-tolerance basis[11]

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[9] *It's your business*, New South Wales Department of Ageing, Disability and Home Care, 2012
http://pandora.nla.gov.au/tep/134847
[10] In the context of this Plan, *Awareness* refers to untested knowledge (e.g. via websites, newsletters), *Education* refers to tested knowledge (e.g. via online iPerform courses) and *Training* refers to building of skills (e.g. via workshops).
[11] *Fraud and Corruption Control: Best Practice Guide*, Crime and Corruption Commission, Qld, Mar 2018
http://www.ccc.qld.gov.au/corruption-prevention/fraud-and-corruption-control/fraud-and-corruption-control-best-practice-guide

	EXPECTED OUTCOME 3.5
	Expected Control Description
✓	**AWARENESS**: Staff are made clearly aware of the University's expectations in relation to fraud and corruption prevention, standards of behaviour, and the consequences should they engage in such behaviour. This occurs: • At induction. • On an ongoing basis during the period of their employment.
✓	**EDUCATION AND TRAINING**: Staff receive formal fraud and corruption-related education and training (as part of the University's compliance training framework) which is commensurate with their role, level of responsibility and relationship with the University.
✓	**DOCUMENTATION UPDATES**: Updates and changes to fraud and corruption-related policies, procedures, the Code of Conduct, publications and other values-based pronouncements are effectively communicated to staff.
✓	**COMMUNICATION OF OUTCOMES**: The University publicises: • Desensitised information on fraud and corruption investigation outcomes to encourage staff not to initiate or become involved in this type of behaviour and affirm confidence that perpetrators will face serious sanctions. • Instances where staff have actively prevented fraud or corruption and/or have championed values-based conduct to encourage others to do the same.
✓	**COMMUNICATION METHODS**: The University employs a variety of different communication methods to ensure that its awareness, education and training objectives are continually met appropriately and in the context of the University's operations.

3.6 Employment screening

	EXPECTED OUTCOME 3.6
	The University is able to verify the identity, integrity and credentials of persons to be appointed or transferred to University positions.
	External Reference(s)
	Undetected employment application fraud can undermine merit-based selection and result in hiring an employee who lacks integrity or requisite expertise for the role[12]
	Expected Control Description
✓	**NEW APPOINTMENTS**: Standard checks are performed on individuals as a pre-condition to employment or engagement with the University.
✓	**STAFF TRANSFERS AND PROMOTIONS**: For existing staff who transfer or are promoted to new positions, an appropriate level of pre-employment screening is performed as a condition of appointment or engagement with the University.
✓	**CHANGES IN STATUS:** Individuals are required to notify the University of any changes to their criminal history information during their employment or engagement by the University.

3.7 Conflicts of interest

	EXPECTED OUTCOME 3.7
	Conflicts of interest arising amongst staff in the course of their work are registered and properly managed in accordance with established procedures.
	External Reference(s)

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[12] *Strengthening Employment Screening Practices in the NSW Public Sector*, ICAC NSW, Feb 2018
http://www.icac.nsw.gov.au/docman/preventing-corruption/cp-publications-guidelines/5050-strengthening-employment-screening-practices-in-the-nsw-public-sector/file

EXPECTED OUTCOME 3.7

The ethical challenge starts with a requirement to recognise that private interests may at times conflict with public duties[13]

Expected Control Description

✓	**PROCEDURES**: The University provides detailed procedures to staff on the types of conflicts of interest that may arise in their work, and how to deal with them. These procedures are regularly reviewed and are aligned with appropriate state public sector or other external regulatory directions or guidelines.
✓	**INTEGRITY OF REGISTER**: Conflicts of interest are registered in accordance with established procedures and there is regular testing performed to assess wherever possible the accuracy and completeness of recorded information and identify any emerging trends.
✓	**STAFF UNDERSTANDING**: Efforts are made to ensure all staff have an appropriate understanding of the procedures and apply them correctly.

3.8   Gifts, benefits and hospitality[14]

EXPECTED OUTCOME 3.8

Gifts, benefits and hospitality offered to staff in the course of their work by external parties are registered and only accepted in accordance with established procedures.

External Reference(s)

… accepting a gift, benefit or hospitality could give the impression an officer will favour a particular person or organisation when making decisions. This may not be the intention of either the officer or person offering the gift, benefit or hospitality, however, perceptions matter[15]

Expected Control Description

✓	**PROCEDURES**: The University provides detailed procedures to staff on what constitutes a gift, benefit and hospitality and the rules associated with their acceptance. These procedures are regularly reviewed and are aligned with appropriate state public sector or other external regulatory directions or guidelines.
✓	**INTEGRITY OF REGISTER**: Gifts, benefits and hospitality offered to staff are registered in accordance with established procedures and there is regular testing performed to assess wherever possible the accuracy and completeness of recorded information and identify any emerging trends.
✓	**STAFF UNDERSTANDING**: Efforts are made to ensure all staff have an appropriate understanding of the procedures and apply them correctly.

3.9   External party relationships

EXPECTED OUTCOME 3.9

The external parties that partner with or are engaged by the University meet the University's expectations in relation to fraud and corruption control, regardless of whether they operate locally, nationally or internationally.

External Reference(s)

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[13] *Conflict of interest in the public sector,* Ombudsman Victoria, March 2008
https://www.ombudsman.vic.gov.au/getattachment/f6ba8398-2e7b-41f6-bbfd-bed87f0bcfac/publications/parliamentary-reports/conflict-of-interest-in-the-public-sector.aspx

[14] It is acknowledged that gifts, benefits and hospitality may result in conflicts of interest. However, they are identified separately in the Plan to highlight the need to pay particular attention to them from a fraud and corruption perspective.

[15] *Gifts, Benefits and Hospitality – a guide to good practice*, The Integrity Coordinating Group, 2016
https://icg.wa.gov.au/sites/default/files/documents/gifts_benefits_and_hospitality_a_guide_to_good_practice.pdf

EXPECTED OUTCOME 3.9

Current leading practice in fraud risk management involves strategies which prevent, detect and respond to the risk of fraud, whether perpetrated by internal or external parties [16]

Expected Control Description

✓	**DUE DILIGENCE**: Prior to engaging an external party, the University undertakes appropriate risk-focused due diligence or other checks to determine that party's reputation, credibility and record of adherence to applicable laws and regulations in Australia or other countries in which it operates, and whether the party has effective anti-fraud and anti-corruption plans, policies etc in place.
✓	**CONTRACTUAL REQUIREMENTS**: External parties that do business with the University are contractually committed to meeting the University's expectations in relation to fraud and corruption control. This includes a requirement for all parties to operate according to the established anti-corruption and anti-fraud statutory and regulatory regimes in place in the jurisdictions within which the University and the external party conduct their business.
✓	**CONTINUOUS MONITORING**: University appointed contract managers monitor the performance of contracted external parties and are aware of what actions to take should ongoing enquiry and communications detect a heighted or actual risk of fraud or corruption. Such actions are taken in accordance with exit strategies described in the relevant contract.

3.10   Client and community awareness

EXPECTED OUTCOME 3.10

The University's external stakeholders (which include students and external parties) receive clear messages about the University's position on fraud and corruption, and are given unambiguous guidance about acceptable and unacceptable business practices.

External Reference(s)

It is important that the community is made aware that your organisation will not tolerate fraudulent or corrupt behaviour and are given a channel for reporting any concerns[17]

Expected Control Description

✓	**COMMUNICATION**: The University has a communications strategy to create awareness of desirable behaviours amongst external stakeholders.
✓	**TARGET GROUPS**: The communications strategy identifies and is tailored towards meeting the needs of different external stakeholder groups (government, students, partners, contractors, suppliers, community) who deal or may deal with the University and are likely to have an impact on its operations.

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[16] *Fraud Risk Management – Report to Parliament 9: 2012-2013*, Queensland Audit Office, March 2013
https://www.qao.qld.gov.au/sites/qao/files/reports/rtp_fraud_risk_management.pdf
[17] *It's your business*, New South Wales Department of Ageing, Disability and Home Care, 2012
http://pandora.nla.gov.au/tep/134847

4.   DETECTION THEME

4.1   Fraud and corruption detection program

EXPECTED OUTCOME 4.1
The University is able to effectively detect actual or attempted fraud or corruption as soon as possible after it has occurred.
External Reference(s)
Effective fraud detection and response measures are necessary to provide assurance that perpetrators of fraudulent acts are identified, and appropriate action is taken [18]
Expected Control Description

✓	**ROLE OF MANAGEMENT**: There is constant vigilance on the part of managers who are aware of their responsibility to identify and report actual or suspected fraudulent or corrupt activity.
✓	**RED FLAGS**: Staff have a sufficient understanding of the "red flags" of fraud and corruption relevant to the context of their work to confidently and promptly report any noticeable suspicious activity.
✓	**DETECTION SYSTEMS (RESPONSIBILITY)**: Responsibility for advising on the design, implementation and monitoring of the University's overall fraud detection processes and detection systems rests with a dedicated fraud and corruption control resource. This resource works with management to formulate effective fraud and corruption detection systems and procedures.
✓	**DETECTION SYSTEMS (STRATEGIES)**: Management implements and maintains specific detection strategies to efficiently and effectively address relevant fraud and corruption risks.

4.2   Independent reviews

EXPECTED OUTCOME 4.2
The University makes effective use of independent internal and external reviewers to assist in the detection of possible fraud and corruption.
External Reference(s)
An audit committee … uses internal auditors, or other designated personnel, to monitor fraud risks. Such a committee also … will discuss with the external auditor the auditors' planned approach to fraud detection as part of the financial statement audit [19] *Frauds may also be discovered as a result of controls and mechanisms put in place on the advice of internal and external auditors* [20]
Expected Control Description

✓	**USE OF INTERNAL AUDIT**: The Internal Audit function assists in the identification of fraud and corruption through its program of: • Control reviews, which use data analysis techniques • Ongoing continuous auditing activities • Fraud-focused audits
✓	**EXTERNAL AUDIT ROLE**: Executive management and members of the Audit, Risk and Compliance Committee liaise with the external auditor in terms of the audit procedures they intend to carry out during the end of year audit that are aimed at detecting misappropriation of assets and misstatements resulting from fraudulent financial reporting.

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[18] *Fraud Control Arrangements – Across Entities,* Australian National Audit Office, Oct 2014
https://www.anao.gov.au/sites/default/files/ANAO_Report_2014-2015_03.pdf
[19] *Managing the Business Risk of Fraud, A Practical Guide*, Sponsored by The Institute of Internal Auditors, The American Institute of Certified Public Accountants and the Association of Certified Fraud Examiners
https://www.acfe.com/uploadedfiles/acfe_website/content/documents/managing-business-risk.pdf
[20] *Fraud risk management, A guide to good practice*, CIMA, 2008
http://www.cimaglobal.com/Documents/ImportedDocuments/cid_techguide_fraud_risk_management_feb09.pdf.pdf

EXPECTED OUTCOME 4.2

✓	**EXTERNAL REVIEWS / HEALTH CHECKS**: Periodic reviews by external qualified service providers of University corporate systems or processes are initiated by the University to highlight potential cases of fraud or corruption that may require further internal investigation.

4.3   Reporting of suspected incidents

EXPECTED OUTCOME 4.3

The University provides various avenues for reporting suspected or known fraud or corruption.

External Reference(s)

In many cases, greater losses are suffered as a result of employees at all levels ignoring the obvious. It is everyone's responsibility to find and report fraud and irregularity within an organisation, and it is therefore essential that an organisation has appropriate reporting mechanisms in place to facilitate this[21]
Employees, clients or members of the public must be provided with an appropriate channel for reporting fraud that, where possible, ensures confidentiality[22]

Expected Control Description

✓	**MANDATORY NOTIFICATIONS**: Suspected or known fraud or corruption incidences committed by or against the University which come to the attention of staff are notified immediately to the appropriate individual or internal reporting body under <u>mandatory</u> internal reporting requirements.
✓	**REPORTING MECHANISMS**: All internal and external stakeholders have available to them prescribed ways in which they can formally notify the University of suspected or known fraud or corruption.

4.4   Public interest disclosures (whistleblower protection)

EXPECTED OUTCOME 4.4

The University provides effective mechanisms for individuals to make public interest disclosures, for these disclosures to be properly assessed and investigated, and for disclosers to be protected, in accordance with legislative requirements.

External Reference(s)

Disclosers are part of a public authority's 'early warning system', assisting in the prevention and detection of unwanted conduct, which will lead to improved performance, staff morale and a greater level of public trust and confidence[23]

Expected Control Description

✓	**PROCEDURES**: The University has implemented procedures for public interest disclosures which cover the processes to be followed and the protections provided to disclosers. These procedures are aligned with relevant legislative requirements and are made available both internally and externally[24].

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[21] *Fraud Risk Management, A guide to good practice*, CIMA, 2008
http://www.cimaglobal.com/Documents/Thought_leadership_docs/cid_techguide_fraud_risk_management_feb09.pdf.pdf
[22] *Commonwealth Fraud Control Guidelines*, Australian Government, 2011
http://www.ag.gov.au/Publications/Documents/CommonwealthFraudControlGuidelinesMay2002/Commonwealth%20Fraud%20Control%20Guidelines%20March%202011.pdf
[23] *Information for Public Authorities, Public Interest Disclosures*, Public Sector Commission, Western Australia
http://www.publicsector.wa.gov.au/public-administration/official-conduct-and-integrity/public-interest-disclosures/information-public-authorities
[24] In Western Australia, public authorities are required, under the Public Interest Disclosure Act 2003, to produce their own internal public interest disclosure procedures. Furthermore, these internal procedures must align with guidelines issued by the Public Sector Commission.

EXPECTED OUTCOME 4.4	
✓	**COMMUNICATIONS**: The availability of public interest disclosure procedures is communicated to the University community as part of a program to raise and maintain awareness of and confidence in the PID Act.
✓	**STAFF UNDERSTANDING**: Staff are educated (as part of the University's compliance training framework) on the public interest disclosure procedures and how they specifically differ from other complaint reporting and management processes.

5.   RESPONSE THEME

5.1   Complaints management

EXPECTED OUTCOME 5.1
The University's complaints management procedures are clearly defined, meet agreed standards, and are consistently applied when handling allegations of fraud or corruption that are either detected through the University's detection systems or otherwise brought to its attention.
External Reference(s)
Properly handled complaints result in improved organizational reputation, regardless of the organization's size, location or sector [25]
Expected Control Description
✓ **PROCEDURES**: The University has implemented and published adequate complaint management procedures for handling fraud and corruption allegations which: • Align with the relevant provisions of the Staff Agreement in relation to the handling of misconduct or serious misconduct. • Meet appropriate external legislative or regulatory requirements. • Conform with the principles of the Australian Standard on complaints management: AS/NZS 10002:2014 Guidelines for complaint management in organizations.
✓ **COMPLIANCE**: Availability of the complaints management procedures for reporting fraud and corruption allegations are widely disseminated throughout the University and staff are educated in their application (as part of the University's compliance training framework).

5.2   Investigations

EXPECTED OUTCOME 5.2
Incidences of suspected fraud or corruption which are referred for investigation, through the Misconduct provisions of the Staff Agreement, are handled with appropriate knowledge and expertise by personnel who operate in accordance with University investigation standards and are independent of the University business unit in which the alleged fraudulent or corrupt conduct occurred.
External Reference(s)
Of crucial importance are the procedures and investigative processes adopted by the organisation. The investigation response must reflect the nature and seriousness of the matter, and ensure that every facet of inquiry is robust enough to withstand close scrutiny. [26]
Expected Control Description
✓ **INVESTIGATORS**: Investigations into suspected fraud and corruption are only performed by personnel who are one of the following: • Independent dedicated investigations officers within the University. • Independent managers or other senior persons within the University. • External law enforcement or oversight agencies. • External consultants operating under the direction of an independent senior person within the University.
✓ **PROFESSIONAL DEVELOPMENT**: Staff who are involved in investigations of suspected fraud and corruption undertake appropriate professional development (internal and external) to maintain and further develop their expertise and ensure their skills remain current.

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[25] AS/NZS 10002:2014 *Guidelines for complaint management in organizations*, Standards Australia, Sydney, 2014

[26] *Fraud and Corruption Control: Best Practice Guide,* Crime and Corruption Commission, Qld, Mar 2018
http://www.ccc.qld.gov.au/corruption-prevention/fraud-and-corruption-control/fraud-and-corruption-control-best-practice-guide

EXPECTED OUTCOME 5.2

✓	**INVESTIGATION STANDARDS**: All investigations into allegations of misconduct involving fraud and corruption within the University meet approved University investigation standards that have been set by the ISU.

5.3   Internal management reporting and escalation

EXPECTED OUTCOME 5.3

The University captures, analyses, reports and (where necessary) escalates to the appropriate internal stakeholders all detected fraud and corruption incidents.

External Reference(s)

An investigations log should be maintained and an annual report should be submitted to the board of all investigations carried out, outcomes and lessons learned[27]

Expected Control Description

✓	**REGISTRATION**: All reported incidences of fraud or corruption are centrally registered and are clearly identifiable as such. Sufficient supporting information is retained (along with information on the current status of the allegations) in order for required analysis and reporting to take place.
✓	**ESCALATION**: There are clear procedures in relation to when a fraud or corruption incident should be notified or escalated to relevant internal stakeholders for appropriate consideration, management and oversight e.g. in order to form a critical incident team and involve Public Relations to handle media enquiries.
✓	**ANALYSIS AND REPORTING**: There is regular analysis of incidents reported and periodic reporting of trends to the Executive Management group and/or an appropriate internal oversight body or body of review. Reporting of fraud and corruption-related matters is integrated within existing management reporting mechanisms on complaints management.
✓	**KEY PERFORMANCE INDICATORS**: Key performance indicators associated with fraud and corruption control are in place with set targets. Actual performance is reported against these targets in order to measure the success of the Plan in achieving its objectives over a period of time.
✓	**POLICY AND PROCEDURE UPDATES**: University policies and procedures are, where necessary, amended promptly as a result of any changes to controls arising from fraud or corruption incidents.

5.4   Disciplinary process

EXPECTED OUTCOME 5.4

The University's disciplinary proceedings for staff are consistently performed in accordance with either the Staff Agreement or relevant contract of engagement.

External Reference(s)

A consistent and credible disciplinary system is a key control that can be effective in deterring fraud and misconduct[28]

Expected Control Description

✓	**PROCEDURES**: The disciplinary procedures outlined in the Staff Agreement or relevant contract of engagement are consistently invoked should there be sufficient evidence of fraud or corruption.

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[27] *Fraud Risk Management, A Guide to Good Practice*, CIMA, 2008
   http://www.cimaglobal.com/Documents/Thought_leadership_docs/cid_techguide_fraud_risk_management_feb09.pdf.pdf
[28] *Fraud Risk Management, Developing a Strategy for Prevention, Detection and Response*, KPMG, May 2014
   https://assets.kpmg/content/dam/kpmg/pdf/2014/05/fraud-risk-management-strategy-prevention-detection-response-O-201405.pdf

EXPECTED OUTCOME 5.4

✓	**SEPARATION OF INVESTIGATION AND DETERMINATION**: There is separation between the University area that has responsibility for conducting an internal fraud or corruption investigation and the University area that makes a decision as to what disciplinary action (if any) is taken.

5.5   External reporting

EXPECTED OUTCOME 5.5

The University cooperates fully with appropriate external agencies and bodies and operates in accordance with relevant legislation and regulations in reporting on and responding to detected fraud and corruption incidents.

External Reference(s)

When a matter falls within the jurisdiction of more than one external integrity body, the agency must ensure that it is reported to each one that is relevant …[29]

In the spirit of fostering collaborative working relationships, organisations that experience fraud or corruption are advised to notify their funding agency to ensure that there is no impact on the conditions of funding and to identify approaches to reduce risk[30]

Expected Control Description

✓	**OVERSIGHT / REGULATORY AGENCIES**: The timeliness and format of, and responsibility for, reporting of fraud and corruption incidents and (where required) the outcomes of investigations into such incidents, to external oversight / regulatory agencies occurs in accordance with legislative requirements and established communication protocols between the University and these agencies.
✓	**GRANTING BODIES**: The University informs the relevant grant funding body in accordance with the terms and conditions of the grant in any case where an allegation raised may concern abuse of funds or assets provided by that body.
✓	**RELATIONSHIP WITH AGENCIES AND BODIES**: The University assists, cooperates with, or conducts investigations in response to, external agencies or granting bodies to whom an allegation of fraud or corruption has been reported.

5.6   Recovery of losses

EXPECTED OUTCOME 5.6

The University takes action to recover losses where there is evidence of fraud and corruption and where it is cost justifiable to pursue such recovery.

External Reference(s)

Recovering losses is a major objective of any fraud investigation. The Director of …. shall ensure that, in all fraud investigations, there is the quantification of the amount of any loss. The University will seek the repayment of losses in all cases [31]

Expected Control Description

✓	**QUANTIFICATION OF LOSS**: The University, wherever possible, attempts to quantify the losses arising from instances of fraud or corruption.

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[29] *Fraud and Corruption Control: Best Practice Guide*, Crime and Corruption Commission, Qld, Mar 2018
http://www.ccc.qld.gov.au/corruption-prevention/fraud-and-corruption-control/fraud-and-corruption-control-best-practice-guide
[30] *It's your business*, New South Wales Department of Ageing, Disability and Home Care, 2012
http://pandora.nla.gov.au/tep/134847
[31] *Fraud Prevention and Response Plan*, Heriot Watt University, Version 4 - Oct 2008 (updated Sept 2009)
https://www.hw.ac.uk/documents/fraud-prevention-plan.pdf

EXPECTED OUTCOME 5.6
✓	**CIVIL ACTION**: The University takes civil action (further to legal advice, where cost is justifiable and to the extent not covered by insurance) to recover monies, assets or other unrecovered amounts arising from instances of fraud or corruption.
✓	**INSURANCE**: As part of the University's overall insurance program (and after considering the required level of cover, inclusions/exclusions and deductibles), there is adequate insurance in place that insures the University against the risk of loss arising from internal or externally instigated fraud or corruption.

5.7   Review of internal controls

EXPECTED OUTCOME 5.7
The University reviews and re-assesses the adequacy of the internal control environment following the investigation of a fraud or corruption incident.
External Reference(s)
It is important to perform an internal control review in the area where the fraud occurred. This will help to ensure internal controls weaknesses and gaps are addressed to prevent the fraud from reoccurring[32]
Expected Control Description
✓	**RESPONSIBILITY**: Responsibility is assigned for ensuring the: • recommendations for control improvement arising from an investigation (if any) are implemented; and • internal control environment is independently re-assessed following the detection of a fraud or corruption incident and any recommendations arising out of this assessment are properly implemented.
✓	**REVIEW AND ACTION**: After the investigation is complete and any recommended control improvements have been implemented by the University further to the investigation, an independent assessment of the internal control environment is performed and any further recommendations arising from this review are formally addressed by management and remain active until fully cleared.

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[32] *It's your business*, New South Wales Department of Ageing, Disability and Home Care, 2012
http://pandora.nla.gov.au/tep/134847

APPENDICES LIST

1. Roles

2. Definitions

3. Examples of Fraudulent and Corrupt Conduct

4. Compliance with Overseas Anti-Bribery and Corruption Legislation

Appendix 1 – Roles

The **Council** has oversight responsibility for fraud and corruption control. It ensures that its own governance practices set the tone for fraud and corruption risk management and that management implements policies and processes that encourage values-based behaviours, including processes for staff, students, external parties and the general community to report instances where relevant standards are not met. The Council also monitors the University's fraud and corruption risk management effectiveness via the Audit, Risk and Compliance Committee.

The **Audit, Risk and Compliance Committee** is responsible for:
- Providing an objective and robust view to the Council on the adequacy and effectiveness of the Plan.
- Reviewing the status of all fraud or corruption incidents or issues that are detected, and their current status.

The **Vice-Chancellor** is responsible for:
- Providing leadership in the promotion of values-based behaviours within the University.
- Ensuring that the Plan sufficiently addresses all potential fraud and corruption risks.
- Ensuring appropriate action is being taken to mitigate those risks.

Executive Managers are responsible for:
- Modelling values-based behaviours within the University.
- Implementing fraud and corruption control strategies within their portfolios.
- Reviewing the Plan and providing adequate resources and priority to ensure that the Plan is properly implemented, monitored and reviewed.

Managers are responsible, within their areas of responsibility, for:
- The prevention and detection of fraud and corruption.
- Implementing and monitoring controls that minimise fraudulent and corrupt activity.
- Implementing and overseeing initiatives associated with strengthening controls over fraud and corruption risk, where necessary.
- Properly acting on all complaints of fraud and corruption brought to their attention.
- Providing assistance with any investigations that arise from such complaints.

All University **staff** are responsible for fulfilling their obligations or responsibilities as specified under the Plan i.e.
- Complying with internal control requirements, policies and procedures.
- Being aware of the "red flags" of fraud and corruption.
- Reporting suspected acts of fraud or corruption in accordance with University policy and external legislative requirements.
- Assisting with any enquiries and investigations pertaining to fraud or corruption.

The **Director Integrity and Standards Unit (ISU)** is responsible for:
- Maintaining the complaints management framework, including complaint and investigation procedures.
- Overseeing triage matters including those received through the Complaints portal, and managing the portal.
- Maintaining the conflict of interest framework including procedures, register and monitoring.
- Maintaining and promoting the Code of Conduct for staff.
- Maintaining and promoting the Fraud and Corruption Control (FCC) Plan.
- Maintaining the FCC risk management framework including risk assessments and key controls, and ensuring FCC risk assessment and monitoring is embedded into corporate, academic and project governance frameworks.
- Undertaking FCC prevention and detection-related activities including advice on red flags, fraud detection techniques, predictive modelling, exception reporting and real time continuous monitoring.

- Reporting / escalation from data analysis, trends and systemic issues arising from complaint and investigation matters and from FCC risk assessment and prevention activities.
- Providing advice to Council, Executive Management, Managers, staff and students.
- Performing compliance officer duties for the Corruption, Crime and Misconduct Act, including breach reporting, the PID Act and other relevant Commonwealth and overseas anti-fraud and anti-corruption related legislation.
- Stakeholder management and intelligence gathering.
- Awareness, education and training on complaints management, conduct management, conflicts of interest, and fraud and corruption control.

The **Director Risk & Assurance** is responsible for:
- Maintaining the risk management framework including policy and procedures for risk assessments and identification of key controls.
- Maintaining the risk policy, risk appetite and behaviours including continuous disclosure.
- Maintaining risk procedures for strategic risk, operational risk, business continuity, critical incident management, the alert-disclosure matrix, travel risk and insurance.
- Overseeing operational risk management – theft, conduct, IP, ID theft, assets, compliance and quality etc.
- Insurance potential, notifications and claims.
- Loss recovery through Insurance.
- Reporting / escalation from data analysis, trends and systemic issues arising from risk reports, insurance claims and post incident debriefs.
- Providing advice to Council, Executive Management, Managers, staff and students.
- Stakeholder management and intelligence gathering.
- Awareness, education and training on risk management.
- Considering the University's assessment of fraud and corruption risk when developing the annual audit workplan.
- Assisting in the deterrence of fraud by examining and evaluating the adequacy and effectiveness of internal control systems, and making recommendations for improvement commensurate with the University's risk appetite.
- Within the context of audit assignments, being alert to control weaknesses that may allow fraud or corruption, and deciding where additional tests need to be conducted with a view to uncovering other potential indictors of fraud.
- Having sufficient knowledge of fraud and corruption to be able to identify indicators that such conduct may have occurred (during the course of audit work), then evaluating these indicators and deciding whether further action should be taken.
- Performing follow-up reviews of the adequacy of internal controls in areas or systems where instances of fraud or corruption were previously identified and investigated.
- Independently assessing the University's overall approach to fraud and corruption control.

The **Director Compliance Services** is responsible for:
- Maintaining the compliance framework including legislation, policy and procedures.
- Assessment of legislation and compliance officer assignment.
- Maintaining compliance training rules (legislation and policy).
- Maintaining the delegations register and framework.
- Maintaining the records and information management framework.
- Overseeing FOI, information disclosure and privacy requirements - Compliance Officer.
- Reporting / escalation from data analysis, trends and systemic issues arising from compliance reports.
- Providing advice to Council, Executive Management, Managers, staff and students.
- Maintaining compliance breach notification and escalation processes for compliance officers, Managers and Executive Managers.
- Stakeholder management and intelligence gathering.
- Awareness, education and training on compliance.

The **Director Legal Services** is responsible for:

- Overseeing litigation including loss recovery through litigation.
- Providing legal advice on matters.

The **Director People and Culture** is responsible for:
- Ensuring adequate procedures exist for appropriate screening and selection of new employees and for employee transfers.
- Advising and providing guidance on the application of staff misconduct-related and disciplinary/dismissal procedures, in accordance with the Staff Agreement.
- Embedding clear responsibility for fraud and corruption control within the University's performance management systems.
- Overseeing and monitoring compliance with required "working with children" checks.

Appendix 2 – Definitions[33]

- **Bribe***:* The offering, giving, receiving, or soliciting of any item of value to influence the actions of an official or other person in charge of a public or legal duty.

- **Control** (also "internal control"): An existing process, policy, device, practice or other action that acts to minimise negative risks or enhance positive opportunities.

- **Corruption**: Dishonest activity in which a person abuses his/her position of trust in order to achieve some personal gain or advantage for themselves, or provide an advantage/disadvantage for another person or entity. It also involves corrupt conduct by the University, or a person purporting to act on behalf of and in the interests of the University, in order to secure some form of improper advantage for the University either directly or indirectly.

- **External parties:** External individuals or entities with whom the University engages, transacts or associates in the achievement of its objectives e.g. joint venture partners and collaborators, agents and intermediaries, contractors and suppliers, grant providers, sponsors and debtors.

- **Executive manager:** Means a position held by a Deputy Vice-Chancellor, a Vice President, a Pro Vice-Chancellor, the Chief Financial Officer; or any other position which is approved by the Executive Committee to be an Executive Manager following the advice of the Vice-Chancellor.

- **Facilitation payment:** An illegal or unofficial payment made in return for services which the payer is legally entitled to receive without making such payment. It is normally a relatively minor payment made to a public official or person with a certifying function in order to secure or expedite the performance of a routine or necessary action, such as a visa, work permit or customs clearance.

- **Fraud**: Dishonest activity causing actual or potential financial loss to any person or entity including theft of personal identity, money or other property by employees or persons external to the University and 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 personal financial benefit. The concept of fraud involves fraudulent or corrupt conduct by internal parties or external entities targeting the University, or fraudulent or corrupt conduct by the University itself targeting external entities.

- **Fraud and corruption risk assessment**: The application of risk management principles and techniques in the assessment of the risk of fraud and corruption within the University.

- **Manager**: Includes executive managers, faculty, portfolio and operational area managers, supervisors and workers with management responsibilities.

- **Public officer**: A member, officer or employee of any authority, board, corporation, commission, local government, council of a local government, council or committee or similar body established under a written law.

- **Risk**: The effect of uncertainty on objectives. It is measured in terms of consequence and likelihood.

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[33] The definitions of *Corruption* and *Fraud* in this section have been adapted from AS 8001-2008 *Fraud and Corruption Control.* The definition of *Bribe* is taken from Black's Law Dictionary. The definitions of *Executive Manager*, *Student and Risk* are taken from the *Curtin Common Definitions* document – see http://policies.curtin.edu.au/local/docs/other-documents/Curtin_Common_Definitions.pdf. The definitions of *Manager* is taken from the *Risk Management Policy*. The definition of *Public Officer* is taken from section 1(1) of the *Criminal Code Act Compilation Act 1913 (WA).* The definitions of *Staff* and *External Parties* have been developed to meet the particular requirements of this document.

- **Staff**: Covers all University officers under a contract of employment, titleholders (paid and unpaid, including Council members, honorary position holders such adjuncts, emeritus professors and visitors), consultants, contractors and volunteers working for the University, regardless of their physical location.

- **Student**: A person who is admitted to a course or enrolled in a unit, which leads to, or is capable of leading to, an academic award of the University.

Appendix 3 – Examples of Fraudulent and Corrupt Conduct

- Misappropriating grant funds.
- Falsifying or fabricating research outcomes.
- Taking or requesting inducements to mark a student's assessment more favourably.
- A manager signing off on fraudulent overtime claims.
- Regularly taking resources, such as office supplies, stationery or University equipment, home for personal use or to sell for personal benefit.
- Unauthorised use of a University motor vehicle.
- Approving invoices for private expenses or colluding to do so for others.
- Submitting a false travel or reimbursement claim and receiving a benefit to which they are not entitled.
- Misusing taxi vouchers for personal use or profit.
- Manipulating recruitment and selection procedures to secure the appointment of a close friend or family member or associate.
- Management promoting, engaging or giving an employee advantage over others for personal reasons.
- Failing to declare a conflict of interest but continuing to deal with a close associate in exercising a University function (for example, recruitment of an employee).
- Accepting or soliciting a bribe or secret commission from a tenderer to give partial consideration to them.
- Providing commercial-in-confidence information to a tenderer resulting in them obtaining an unfair advantage over other tenderers in the tender process.
- Colluding with a supplier of goods or services to the University for personal gain.
- Facilitation payments i.e. obtaining kickbacks for organising preferential treatment.
- Gifts or entertainment received which are intended to achieve a specific or generic University outcome in the short or long-term.

Appendix 4 – Compliance with Overseas Anti-Bribery and Corruption Legislation

Introduction

Most countries have introduced or strengthened anti-bribery legislation which makes it an offence for organisations and individuals to pay or receive bribes. All OECD countries have in fact made it an offence for organisations and individuals from those countries to pay bribes to public officials in other countries.

The University needs to develop and support an effective system of compliance that meets the requirements of relevant anti-corruption and bribery laws not only at home, but also in various jurisdictions where University business activities are conducted. The items of overseas legislation that are particularly relevant to the University's operations (at May 2018) are as follows:

1. Bribery Act 2010 (UK)
2. Foreign Corrupt Practices Act 1977 (US)
3. Anti-Corruption Commission Act 2009 (Malaysia)
4. Prevention of Corruption Act 1993 (Singapore)
5. UAE Penal Code - Federal Law 3/1987 (Dubai)
6. Prevention of Corruption Act 2002 (Mauritius)

Comparison between acts

As part of the development of the first Fraud and Corruption Control Plan ("the Plan") in 2014, an internal review of and comparison between the first four acts listed above was performed, under the following five headings:

- Jurisdiction
- Prohibitions
- Defences and Exceptions
- Defence Details
- Criminal and Civil Penalties

The review found that the UK Bribery Act ("the Act") is the most onerous of the anti-corruption regimes. In particular, it contains an offence of **corporate failure to prevent bribery**.

Organisations (including universities) may be held criminally liable for the acts of any person who provides services to or on behalf of the organisation in any capacity. Therefore, the Act extends criminal liability beyond an organisation's employees to its partners in outsourcing or joint ventures, agents, brokers, consultants, and also to vendors. The Act raises the prospect that businesses may face prosecution in relation to bribes they do not know about, paid by individuals over whom they may have little practical control. The penalty is an unlimited fine.

Under the Act, the defence for an organisation against this liability is to prove that it had **'adequate procedures'** in place to prevent bribery. UK government guidance on what is 'adequate procedures' refers to six guiding principles:

1. **Proportionate procedures**: An organisation's procedures to prevent bribery by persons associated with it must be proportionate to the bribery risks the organisation faces, and the "nature, scale and complexity" of the organisation's activities.

2. **Top-level commitment**: The organisation needs to show that individuals at the top of the corporate structure have been actively involved in making sure that their staff (including middle management) and the key people with whom and for whom they do business understand that bribery is not tolerated.

3. **Risk assessment**: The organisation must periodically gauge and document the bribery risks it might face, especially if the organization is entering into new business arrangements and new markets overseas.

4. **Due diligence**: There should be a policy and procedure for due diligence to be carried out before entering into a business relationship, and for it to be repeated periodically. Anti-bribery due diligence is the research, investigation, assessment and monitoring that an organisation will carry out on business relationships to ensure that it is associated with companies and personnel that will behave in a manner consistent with the organisation's anti-bribery programme. The approach adopted must be proportionate and risk-based.

5. **Communication (including training):** The organisation must communicate - both internally (through, for example, additional training) and externally (through, for example, a code of conduct) - its policies and procedures to staff and to others who will perform services for it to ensure that those policies and procedures are embedded and understood throughout the organisation.

6. **Monitoring and review:** Because the risks an organisation faces and the effectiveness of the organisation's procedures may change over time, the organisation should routinely take stock of its anti-bribery procedures, to keep up with any changes in the bribery risks the organization faces.

The introduction of the Act has led to a significant increase in the number of organisations that are implementing anti-bribery management systems. The implementation of anti-bribery management systems is also taking place within organisations based in other countries which are committed to the enforcement of anti-bribery laws.

Compliance program

As the UK Bribery Act appears to be the "lowest common denominator" for anti-bribery legislation affecting the University, any University-based compliance program that is put in place must ensure compliance with this act.

But rather than develop separate compliance plans for the UK Bribery Act and the other five acts referred to above, the Plan has been developed to align with the compliance requirements of the UK Bribery Act (and therefore, meet the defence of 'adequate procedures').

This was originally done by ensuring that the Plan covered all of the main components of the British Standard BS 10500: *Specification for an anti-bribery management system* (ABMS) which was issued in 2011. This standard was developed to help organisations implement an effective anti-bribery management system, for both the UK and internationally.

However, BS 10500 was replaced by a new international standard ISO 37001 *Anti-bribery management systems — Requirements with guidance for use* on 15 October 2016, when this new standard was published. As a result, the main components of the new standard have since been re-aligned with the relevant sections of the Plan, as follows:

ISO 37001 sections	Plan References
4. Context of the Organisation	Whole of Plan, in particular sections 1 and 2 (see 2.5) and 3.3
5. Leadership	Sections 2.8, 3.1, 3.2, 3.3 and Appendix 1
6. Planning	Whole of Plan, in particular sections 1.3, 1.4, 2.3 and Appendix 1
7. Support	Sections 3.5, 3.6, 3.7, 3.10, 4.1, 5.1 and Appendix 1
8. Operation	Sections 3.4, 3.8, 3.9, 4.2, 4.3, 4.4, 5.2, 5.3 and 5.5
9. Performance Evaluation	Sections 2.9, 3.1, 4.2, 5.2, 5.3 and 5.5
10. Improvement	Sections 5.4, 5.6 and 5.7

This means that any assessment by the University of compliance against the Plan within its overseas operations should automatically provide assurance that the main requirements of the new standard are being met.