

| <b>POLICY</b>   |  |
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|  | <h1 style="margin: 0;">Fraud and Corruption Prevention Policy</h1> |
| <b>Contact Officer</b>  | Chief Financial Officer, Office of Financial Services              |

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| <b>Purpose</b>    | <p>The purpose of this policy is to protect the University’s assets and reputation by</p> <ul style="list-style-type: none"> <li>• reinforcing senior management’s commitment and responsibility for identifying risk exposures to fraudulent and corrupt activities and for establishing policies, controls and procedures for prevention and detection of these activities.</li> <li>• reinforcing the requirement for all staff and others to refrain from corrupt conduct and fraudulent activities and encourage the reporting of any instance of fraud or corrupt conduct.</li> <li>• ensuring that all suspected fraudulent and corrupt activity is dealt with appropriately.</li> </ul> |
| <b>Overview</b>   | <p>Effective fraud and corruption control requires the commitment and involvement of all employees, contractors, customers and external service providers. It is therefore imperative that we are all aware of what within the University is at risk and the types of fraud and corrupt behaviour that can occur.</p>   |
| <b>Scope</b>      | <p>This policy applies to all staff, students and contractors of Macquarie University including all its subsidiary companies</p>  |
| <b>The Policy</b> | <p><b>1. DEFINITIONS AND EXAMPLES</b></p> <p>For definitions and Examples of Fraud and Corruption please refer to the Fraud and Corruption procedures document.</p> <p><b>2. STATEMENT OF ATTITUDE TO FRAUD AND CORRUPTION.</b></p> <p>The University requires all staff at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible. The University is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits.</p>  |

Any fraud or corruption committed against the University is a major concern to the University. Consequently, any case will be thoroughly investigated and appropriate disciplinary action will be taken against anyone who is found guilty of corrupt conduct. This may include referral to the Police.

The University has an obligation to report suspected corruption, whether or not it involves a staff member of the University, to the Independent Commission Against Corruption.

The University endeavors to make its staff, contractors, suppliers and clients aware of its statement of attitude to fraud and corruption by:

- placing it on the University's website.
- referring to key attributes of the strategy in University publications including the annual report.
- providing a summary in training sessions.
- regular Fraud and Corruption awareness activities

### **3. CODE OF CONDUCT**

All staff are subject to the provisions and requirements of the University's Code of Conduct. The Code of Conduct assists in preventing fraud and corruption within the University and the following statement is incorporated in the Code of Conduct to that effect:

*"All staff of Macquarie University are expected to perform their duties with efficiency, fairness, impartiality, integrity, honesty, and compassion. This code aims to clarify for all staff the conduct expected in the performance of their duties and to provide them with a guide to solving ethical issues. To this end we expect every staff member to conduct the academic and business activities of the University with the utmost honesty, accuracy and fairness. We need to examine our actions in accordance with this standard and where this generates concerns we should raise them in the appropriate manner and resolve them before proceeding."*

### **4 RELATIONSHIP WITH THE UNIVERSITY'S OTHER POLICIES**

This policy should be read in consultation with the University's other plans and policies. These policies will assist the staff of the University in avoiding and preventing fraud and corrupt conduct. In particular staff should be familiar with the Protected Disclosure Policy.

## **5 SUMMARY OF FRAUD AND CORRUPTION CONTROL STRATEGIES**

### **University's Fraud Control Officer.**

The Chief Financial Officer is the University's Fraud Control Officer.

### **External Assistance to the Fraud Control Officer.**

There may be occasions where the Fraud Control Officer requires the use of external investigators to investigate allegations matters arising from allegations of fraud or corruption. The Fraud Control Officer has the authority to determine the required resources to assist with any investigation.

## **6 Fraud control roles and accountabilities.**

Successful implementation of the Fraud and Corruption Prevention and Response Strategy requires the recognition and documentation of the roles and accountabilities of staff. The University recognises that by embedding these requirements into the day-to-day operations of the University it will reduce the likelihood that it will suffer financial loss or damage to its reputation as a result of misconduct by staff and others.

### **Vice-Chancellor**

The Vice-Chancellor has the ultimate responsibility for the operation of the University, including the prevention and detection of fraud and is responsible for ensuring that appropriate and cost-effective internal control systems are in place. The Vice Chancellor, or the Vice Chancellor's duly appointed delegate, has the responsibility of referring to, or notifying, any relevant external agencies of any allegations of fraudulent or corrupt behaviour that have been identified by the University.

### **Fraud Control Officer**

The Fraud Control Officer will promulgate and update the Fraud and Corruption Prevention policy.

### **Senior Executives, Deans, Heads of Officers, Heads of Department and Managers**

All levels of management are responsible for the prevention and detection of fraud and corruption and for the implementation and operation of controls that minimise fraudulent and corrupt activity within their areas of responsibility.

Management may also be called upon to perform the initial enquiries regarding any complaints of fraudulent and corrupt activity and will assist with any further investigations of fraudulent and corrupt activity. It is the responsibility of all managers, in their day-to-day operations, to ensure that there are mechanisms in place within their areas of control to assist with the:

- assessment of the risk of fraudulent and corrupt behaviour through awareness of the risks and exposures inherent in their area of responsibility;
- promotion of staff awareness of ethical principles subscribed to by the University;
- education of staff about fraud prevention and detection;
- promotion of a positive and appropriate attitude towards compliance with laws, rules and regulations; and
- prompt and positive responses to all allegations or indications of fraudulent or corrupt acts.

Most importantly they should establish and maintain adequate internal controls that provide for the security and accountability of University resources and prevent/reduce the opportunity for fraud and corruption to occur. Applicable internal controls include:

- Suitable recruitment procedures.
- Segregation of duties.
- Identification and declaration of conflict of interest or stated interests.
- Security (physical and information systems).
- Supervision and internal checks.
- Approvals within delegated authority.
- Reconciliations.
- Budget control.
- Regular review of management reports.
- Clear reporting lines.

Where managers do not have the expertise to evaluate internal controls they should call on support from either the Internal Auditor or the Fraud Control Officer.

**Fraud risk management (including fraud risk assessment).**

The University will integrate fraud control risk management into its philosophy, practices and business plans and believes risk management should be the business of all staff.

**Fraud and corruption awareness.**

One of the most common ways in which fraud and corruption is detected is by observation, investigation and reporting by those who work with, or deal directly with, the perpetrator(s). The University aims to provide all staff with a general awareness of fraud and corruption and how they should respond to it if detected or suspected.

### **Recovery of the proceeds of fraudulent or corrupt conduct**

The University may take any necessary legal action to recover losses that are determined to have resulted from fraudulent or corrupt conduct. In most cases this will be where the likely benefits of such recovery will exceed the funds and resources invested in the recovery action. However this will not preclude any decision to take recovery action.

## **7. Internal audit strategy**

### **Internal audit capability**

The University outsources its Internal Audit on a three-year cycle. The Internal Audit function independently reports to the University's Audit and Risk Committee.

A Strategic Audit Plan is created each year to outline audit and risk management activities for the ensuing year.

The Strategic Audit Plan also incorporates a University-wide risk assessment that provides the basis for refining the scope and objectives of each of the audit an

## **8. Review of fraud control arrangements**

### **Review of effectiveness of strategies developed in most recent fraud risk assessment**

It is expected that Faculties and Offices will review the results of the fraud risk assessments at least annually to ensure that strategies developed during the course of the most recent fraud risk assessment are reviewed for effectiveness and amended where necessary.

The Fraud Control Officer will coordinate the compliance with the annual review of fraud mitigation strategies

## **9. Conflict of interest policy**

A conflict of interest is a situation in which the impartiality of an officer in discharging their duties could be called into question because of the potential, perceived or actual influence of personal considerations, whether financial or other. The conflict in question is between official duties and obligations, on the one hand, and private interests on the other.

The University recognises that potential conflicts of interest can arise from personal, professional and social associations of staff both inside and also outside the University. These associations can create conflicts of interest in contracting for services, the procurement process, engaging consultants, academic staff

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|                 | <p>undertaking consultancies and recruitment.</p> <p>Dealing with conflict of interest is an integral part of establishing an ethical culture at the University.</p> <p>The University's Code of Conduct contains information on conflicts of interest.</p> |
| <b>Keywords</b> | <i>Fraud, Corruption, Disclosure, Prevention, Internal Audit, ICAC, Conflict of Interest,</i>   |

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| <b>Date Approved</b>                               | <i>December 06</i>  |
| <b>Approval Authority</b>                          | <i>Audit and Risk Committee</i>   |
| <b>Date of Commencement</b>                        | <i>1 January 2006</i>   |
| <b>Amendment Dates</b>                             |   |
| <b>Date for Next Review</b>                        | <i>Reviewed August 2009 – Next Review August 2011</i>   |
| <b>Related Policies, Procedures and Guidelines</b> | <i>Protected Disclosures Policy<br/> Procedure for making a Protected Disclosure<br/> Reportable Gifts and Benefits Policy<br/> Gift and Benefit Reporting Procedure<br/> Ethics Framework<br/> Code of Conduct - Staff</i> |
| <b>Policies Superseded by this Policy</b>          |   |