INTRODUCTION

The Fraud, Bribery and Corrupt Conduct Prevention Policy and Procedure for Reporting and Responding to Suspected Fraud, Bribery and Corrupt Conduct represent the University’s commitment to effective fraud, bribery and corrupt conduct risk management and prevention. It requires the cooperation and involvement of all staff members and students in preventing, detecting and responding to all instances of alleged fraud, bribery and corrupt conduct against the University, whether by staff members, students or persons external to the University.

COMPLIANCE

This is a compliance requirement under the Australian Charities and Not-for-profits Commission Regulation 2013 and part 8, section 33 of the Charles Darwin University Act 2003.

INTENT

This document provides additional information to support the University’s Fraud, Bribery and Corrupt Conduct Prevention Policy and Procedure for Reporting and Responding to Suspected Fraud, Bribery and Corrupt Conduct.

RELEVANT DEFINITIONS

In the context of this document

Bribery means the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action, which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage;

Corrupt conduct means dishonest activity in which a staff member, student or contractor of the University acts contrary to the interests of the University and abuses their position of trust in order to achieve some personal gain or advantage or for another person or entity. It may also involve conduct by a student or staff member, 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;

Entity means, according to the Australian Standard AS 8001-2008, Fraud and Corruption Control, a corporation, government agency, not-for-profit organisation or other entity engaged in business activity or transacting with other entities in a business-like setting;

Fraud means, according to the Australian Standard AS 8001-2008, Fraud and Corruption Control, dishonest activity causing actual or potential financial loss to any person or including theft of moneys or other property by staff members or persons external to the and whether or not deception is used at that 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 theft of property
belonging to the University by staff members, students or contractors where deception is not used is also considered fraud;

**Governance document** means a formally approved document that outlines non-discretionary governing principles and intentions, in order to guide University practice. Governance documents are formal statements of intent that mandate principles or standards that apply to the University’s governance or operations or to the practice and conduct of its staff members and students they include the Charles Darwin University Act (2003), by-laws, policies, procedures, guidelines, rules, codes and the Enterprise Agreement;

**Maladministration** means conduct that involves action or inaction of a serious nature that is contrary to law, unreasonable, unjust, oppressive or improperly discriminatory or based wholly or partly on improper motives;

**Senior Executive** means a staff member of the University holding the position of Vice-Chancellor, Provost, Deputy Vice-Chancellor, Pro Vice-Chancellor or Chief Financial Officer or equivalent;

**Senior Manager** means a staff member of the University holding the position of Director or Head of School or equivalent;

**Staff member** means anyone employed by the University and includes all continuing, fixed-term, casual, adjunct or honorary staff or those holding University offices or who are a member of a University committee;

**Student** means a person prescribed as a student of the University in By-law 2 of the Charles Darwin University (Student of the University) By-laws; and

**Theft** means inappropriate disposal of a University asset with the intent to deprive the University of it permanently.

**GUIDELINES**

**Fraudulent activity**

Fraudulent activity may include but is not limited to:

- Cheating and plagiarism;
- Falsification of student records, transcripts and grades;
- Accepting bribes for admission of students;
- Theft and leakage of examination papers and assessment materials;
- Falsification and manipulation of research results;
- Theft and unauthorised use of intellectual property;
- Misuse of a University credit card;
- Making or using forged or falsified documents or signatures;
- Taking inducements, including donations or sponsorships or gifts, to mark a student’s assessment more favourably or award a contract for the provision of goods or services;
- Manipulation of leave and other entitlements;
- Manipulation of financial transactions;
- Falsification of documentation in support of invoices;
- Theft of University revenue in the form of cash, cheques, money order or other negotiable instrument;
- Manipulation of travel and other expense claims;
- Falsification of financial statements;
- Misapplying government grant monies;
- Theft and abuse of University staff member time and property, for example operation of a private business using University facilities and time, whether for profit or not-for-profit;
- Theft of plant and equipment;
- Inappropriate disposal of University assets in contravention of the University’s fixed asset policy;
- Misuse of one’s position to gain an unfair or unjust advantage;
- Unauthorised or unlawful alteration of personal information;
- Unresolved conflicts of interest that disadvantage the University;
- Release or use of misleading or inaccurate information for the purposes of deceiving, misleading or to hide wrongdoing;
- Misappropriation, or the unauthorised or unlawful destruction of data; and
- Failure to provide information where there is a legal obligation to do so.

**Corrupt conduct**

Corrupt conduct may include but is not limited to:

- The improper use of knowledge, power or position for personal gain or the advantage of others;
- Acting dishonestly or unfairly, or breaching public trust;
- Unjustifiable manipulation of the procurement process by favouring one tenderer over others or selectively providing information to some tenderers. This frequently involves allowing tenderers to resubmit a ‘non-complying’ tender after being provided with the details of other bids;
- Preferentially selecting individual suppliers;
- Knowingly not selecting the most appropriate applicant;
- Giving preference for the taking of leave by individuals to the detriment of others due to personal association;
- Not applying the same rules equally to all staff members because of personal association, for example, failure to address issues of late attendance, non-performance;
- Preferentially rostering staff members to the advantage of particular individuals due to personal association with those persons;
- Allocation of overtime regularly to particular individuals to the disadvantage of other persons equally entitled and equally efficient;
- A member of the public influencing a staff member to use their position in a way that is dishonest biased or breaches public trust;
- Assessment and/or inappropriate recommendation of particular individuals over others because of personal associations, for such things as training courses, attending conferences, job or advancement opportunities;
- Manipulating/coercing selection panels to select or not select a particular applicant where it is demonstrable they do not meet selection criteria; and
- Serious nepotism and cronyism where the appointee is inadequately qualified to perform the role to which he or she has been appointed.
Consequences of fraud, bribery and corruption

Fraud, bribery and corrupt conduct are a risk to business, and can have a similar impact on the University as other types of enterprise risk in terms of:

- Financial loss;
- Reputational impact;
- Diversion of management energy;
- Organisational morale;
- Organisational disruption;
- Loss of employment;
- Reduced performance; and
- Diminished safety.

Fraud, bribery and corrupt conduct risks may impact the University in the following ways:

- Damage to the University’s reputation;
- Reduced confidence in the University by the Government and the community;
- Loss of assets including equipment;
- Inability to meet strategic plan objectives; and
- Detrimental effect on a staff member or student’s morale and performance

High risk areas and activities

Staff members working in these areas or performing these activities should use particular caution:

- Procurement of goods and services;
- Accounts payable;
- Recruitment;
- Capital works projects, real estate management and maintenance;
- IT system access, data management and contracting for IT supplies and services;
- Financial and accounting activities;
- Paid external work;
- Grants management;
- Intellectual property management;
- Payroll;
- Student admission and records; and
- Management of external suppliers and service providers.

Possible Areas of Potential Fraud, Bribery and Corruption

Fraud, bribery and corruption can potentially occur across all areas of the University. Some examples of activities that could constitute fraud, bribery, corrupt conduct, maladministration or serious and substantial waste of public money are included below. This is not an exhaustive list and examples are not mutually exclusive to a particular area.
<table>
<thead>
<tr>
<th>Area</th>
<th>Example</th>
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<tbody>
<tr>
<td>Misuse of University assets</td>
<td>• Use of University funds or resources for personal use; and</td>
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<tr>
<td></td>
<td>• Unauthorised sale of University assets for personal gain.</td>
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<td>Travel</td>
<td>• Luxurious, indulgent or excessive expenditure; and</td>
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<td></td>
<td>• Inflated and/or falsified expense claims.</td>
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<td>IT assets and security</td>
<td>• Misappropriation or the unauthorised or unlawful destruction of data;</td>
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<td>• Unauthorised or unlawful alteration of data;</td>
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<td></td>
<td>• Sharing of usernames and passwords; and</td>
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<td></td>
<td>• Accepting bribes for admission of students or creating fraudulent</td>
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<td></td>
<td>transcripts for students.</td>
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<td>Regulatory compliance</td>
<td>• Providing false or misleading information; and</td>
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<td>• Failing to provide information where there is a legal obligation to</td>
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<td></td>
<td>do so.</td>
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<td>Personnel records / confidential information / privacy</td>
<td>• Use or disclosure of personal information for an improper purpose; and</td>
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<td></td>
<td>• Unauthorised or unlawful alteration of personal information.</td>
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<td>Salaries, wages, allowances</td>
<td>• Payments to phantom staff members;</td>
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<td>• Payment to a staff member or student for tasks not performed; and</td>
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<td>• Payment to a staff member or student for skills they do not have.</td>
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<td>Contract management</td>
<td>• Accepting bribes and/or kickbacks from suppliers;</td>
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<td></td>
<td>• Negligent or deliberate mismanagement of contracts which may</td>
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<td></td>
<td>include non-compliance with contract schedules or rates,</td>
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<td></td>
<td>misrepresentation of dates, description of services or identities of</td>
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<td></td>
<td>contract providers; and</td>
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<td>• Incorrect charging for labour and material, misuse of assets or</td>
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<td>product substitution (substituting a product for one of lesser</td>
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<td></td>
<td>quality).</td>
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<td>Academic / research</td>
<td>• Plagiarism or breach of intellectual property;</td>
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<td></td>
<td>• Misapplying government grant monies; and</td>
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<td></td>
<td>• Accepting bribes for admission of students or creating fraudulent</td>
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<td>transcripts for students.</td>
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<tr>
<td>Tendering</td>
<td>• Failure to comply with official tender procedures;</td>
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<td></td>
<td>• Manipulating a tender process to achieve a desired outcome;</td>
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<td></td>
<td>• Unauthorised or improper release of pricing or other tendering</td>
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<td>information;</td>
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<td></td>
<td>• Accepting or conferring gifts and benefits contrary to the</td>
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<td>University’s Gifts and Benefits Procedure; and</td>
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<td></td>
<td>• Non-compliance with the <a href="#">Conflicts of Interest Policy</a>.</td>
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<tr>
<td>Cheques, credit cards, EFTPOS</td>
<td>• Making or using forged or falsified documents or signatures.</td>
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</table>
Purchases and accounts payable

- Failure to comply with tender procedures;
- Entering into a commercial transaction where there is a conflict of interest (without complying with the Conflicts of Interest Policy);
- Invoice and purchase order splitting to circumvent procedures or delegation levels;
- False documentation in support of invoices; and
- Creation and payments made to ghost suppliers.

Conflicts of interest

- Failing to disclose an actual, perceived or potential conflict of interest contrary to the University’s Conflict of Interest Policy;
- Failing to actively manage a disclosed conflict of interest;
- Allowing a conflict of interest to undermine your independence;
- Receiving a personal benefit for assisting a person or entity to gain work or business at the University;
- Appointing a person to a position due to personal relationships or motives other than merit; and
- Failure to comply with the External Work Policy.

ESSENTIAL SUPPORTING INFORMATION

Internal

Academic and Scientific Misconduct Policy

Charles Darwin University (Student of the University) By-laws

Code of Conduct

Conflict of Interest Policy

External Work Policy

Fraud, Bribery and Corrupt Conduct Prevention Policy

Procedure for Reporting and Responding to Suspected Fraud, Bribery and Corrupt Conduct

Internal Control Policy

Public Interest Disclosure Procedure

Quality Policy

Risk Management Policy

Student Breach of Academic Integrity Procedures

External

Criminal Code Act (Northern Territory)

Financial Management Act (Northern Territory)
Public Interest Disclosure Act 2008 (Northern Territory)

Australian Standard AS 8001-2008, Fraud and Corruption Control