



THE AUSTRALIAN NATIONAL UNIVERSITY

Protecting ourselves from Fraud

December 2006

1 Introduction

Fraudulent behaviour at ANU will not be common because most people are honest; but when it happens it puts at risk the reputation of the ANU and its standing, and so risks the reputation and standing of all members of the University.

This booklet seeks to raise awareness of potential fraud risk exposure and communicates the ANU's expectations of staff, students and contractors.

2 Definition of fraud

The University has adopted the following definition of fraud as given by the *Commonwealth Fraud Control Policy and Guidelines*.

“Dishonestly obtaining a benefit by deception or other means”

The ANU is exposed to frauds perpetrated by persons both internal and external to the University. Fraud can involve attempts to secure financial or non-financial benefits. If unchecked they may have an impact upon the reputation, integrity/perceptions of the ANU. Fraudulent activities may include:

- Manipulation of records;
- Certain forms of cheating;
- Plagiarism;
- Falsification of research results;
- Theft of intellectual property;
- Manipulation of leave entitlements;
- Misuse of the '52-day rule' entitlement;
- Theft or leakage of exam papers;
- Manipulation of financial transactions;
- Theft of equipment;
- Misuse of University assets and resources; and
- Misuse of ANU purchase (credit) card.

Fraud against the ANU constitutes an offence against the Commonwealth and can be prosecutable under the *Crimes Act 1914*.

3 Statement of Attitude to Fraud

The ANU is committed to minimising the incidence of fraud through the identification of risk and the development, implementation and regular review of a range of fraud prevention and detection strategies. To this end we will seek to prosecute those who perpetrate frauds against the ANU.

We will also endeavour to protect those who assist the ANU by providing information concerning suspected frauds. This protection, under the ANU Protected Disclosure Policy, is extended to all persons having an involvement in the activities of the University including Council members, staff, students, academic visitors and contractors. This same protection is extended to a person implicated by a disclosure during the course of any investigation.

Any investigation commenced following the reporting of suspected frauds will be undertaken on the assumption of innocence of the implicated individual(s).

4 Responsibilities of staff in Fraud Control

The University expects that members of the University community will:

- Apply the principles inherent in the ANU's Code of Conduct when undertaking their duties, and/or representing the University;
- Take appropriate action in relation to suspected fraudulent or improper conduct within their area of responsibility;
- Implement fraud risk management strategies and participate fully in activities relating to fraud control;
- Advise their supervisor of any concern, suspicion, or information of any instance of fraudulent, corrupt or improper conduct and encourage others to do the same; and
- Deal with all reports of suspected fraud or improper conduct in a professional and prompt manner.

The University may also use misconduct procedures if a member of staff:

- Knowingly makes false or misleading reports about another person;
- Acts in a retaliatory, discriminatory or otherwise adverse manner in regard to a person, as a result of that person making a genuine report or providing assistance in a relevant inquiry;
- Hinders or impedes a formal fraud investigation, and fails to assist any person authorised by management to conduct an investigation; and
- Condone suspected fraudulent or improper conduct within their area of responsibility.

5 What to look for (the “red flags”)

The range of fraudulent activities is wide. Staff should be aware of the environmental conditions that allow fraud to occur as well as the behavioural characteristics that could indicate an individual is committing fraud.

Research undertaken by a variety of organisations has identified: evidence of habitual gambling; non-observance of system controls (such as reconciliations and segregation of duties); computer passwords not appropriately protected; confidential information not adequately secured; delegations and authorisations not enforced, allowing opportunities such as false invoicing; an individual refusing to take leave; an individual resigning suddenly or failing to attend work for no apparent reason; a manager who overrides internal controls; and an individual demonstrating excessive generosity towards other staff (i.e. buying trust), as environmental and behavioural indicators to take into account when identifying potential fraud.

Experience has shown that frauds are discovered when a transaction is rejected and the process of correction reveals a pattern of inappropriate practices. Bearing this in mind, careless remarks made by fraud perpetrators should arouse the suspicion of staff.

Source: KPMG Fraud Survey 2004

6 What should I do if I suspect fraud?

Unless dictated otherwise by University policy or legislation (eg. research falsification), report the suspected fraudulent activity in the first instance to your supervisor. If your supervisor is involved in the suspected fraudulent activity then you should advise the Risk Management and Audit Office (RMAO) Ext. 52505. A report may be given verbally, but should be supported in writing (not email) wherever possible.

DO NOT alert the person or persons suspected of fraud, as alerting the persons could:

- (a) Compromise the success of possible future criminal prosecutions or civil proceedings; or
- (b) Prevent the person(s) from receiving appropriate protection from public disclosure of an allegation.

It is essential that there be no attempt by staff to conduct their own investigation or interview suspects as any subsequent formal investigation could be compromised by such actions.

All fraud investigations will be carried out by an accredited fraud control service provider.

7 How am I protected if I report my concerns?

Where a member of the University community provides information concerning a suspected fraud in accordance with the University's Protected Disclosure policy, the University will take all reasonable steps to ensure that:

- the identity of the person(s) making a disclosure is protected.
- the person is protected from unfair treatment, harassment or retaliatory action by persons named or implicated by the disclosure. This same protection is extended to any person implicated by a disclosure during the course of any investigation.
- Confidentiality is maintained with respect to any information disclosed and the identity of persons disclosing it.

(NB: The University will make every effort to protect the identity of the discloser but in the event of criminal prosecution or other civil proceedings this may not be possible.)

8 What happens once I report my concerns?

Unless policy dictates otherwise, the RMAO will, at the request of the Vice-Chancellor, undertake a preliminary assessment to determine whether the reported behaviour is fraudulent in nature. The outcome of the investigation/assessment will be referred to the Vice-Chancellor who will determine whether the alleged fraud:

- Is a matter for ANU action as per current policy/legislation (i.e. disciplinary, civil or administrative proceedings to recover any monies lost to the Commonwealth).
- Is a serious matter for prompt referral to an external fraud control service provider or AFP for investigation.

9 More Information

The ANU's fraud control strategies are outlined in ANU Fraud Control Plan 2005-07. If you wish to view the Fraud Control Plan you may contact the RMAO. Other relevant information is contained in ANU policies published on the staff web pages including:

- [Protected Disclosures Policy](#)
- [ANU Code of Conduct](#)
- [Academic Honesty in Learning and Teaching](#)
- [Responsible Practice of Research](#)
- [Intellectual Property: Ownership, Protection and Commercialisation](#)
- [Externally-funded Grants, Consultancies and Contracts](#)
- [Leave Provisions](#)
- [University Purchase \(Credit\) Card conditions of use](#)
- [Conflict of Interest and Commitment](#)
- [Outside Work for General Staff](#)