

THE PREVENTION OF FRAUD AND CORRUPTION POLICY

University Policy

1. PURPOSE

- 1.1 To provide a fraud and corruption management framework to defend against, prevent, detect and respond to known or suspected fraud, corruption or related misconduct.

2. AUDIENCE/SCOPE

- 2.1 This policy applies to all members of The University of Auckland and its subsidiaries. It includes contractors, visiting and adjunct staff and any other person providing services to the University.

3. POLICY STATEMENT

- 3.1 The University is committed to:
- Preventing the opportunity and scope for fraud
 - Maintaining the highest ethical standards in its activities and operations
 - Promoting prevention and detection measures amongst its staff, supported by regular risk management practices and programmes across the University
- 3.2 Fraud or corruption will not be tolerated by the University.
- 3.3 Every effort will be made to gather sufficient evidence to support criminal prosecution, disciplinary action (possibly including termination of employment), and the recovery of losses and costs wherever possible.

4. DEFINITIONS

- 4.1 The terms "fraud" and "corruption" are not restricted to monetary or material benefits. Fraud and corruption typically involve a deliberate, dishonest, deceptive and unauthorised act or omission causing loss or disadvantage to the University or resulting in a direct or indirect personal gain or advantage.
- 4.2 Corruption is dishonest activity in which a manager, staff member or contractor of the University acts contrary to the interests of the University and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity. The concept of 'corruption' within this policy can also involve 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.
- 4.3 Fraud is dishonest activity causing actual or potential financial loss to the University including theft of monies 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 theft of property belonging to the University by a person or persons internal to the entity but where deception is not used is also considered 'fraud' for the purposes of this policy¹.

4.4 Fraud, corruption or related misconduct may include (but is not restricted to):

- (i) Unauthorised use of information or resources that are owned or managed by the University such as records, assets, money (including monetary assets), goods and services
- (ii) Theft of plant, equipment or inventory by employees or contractors of the University
- (iii) Decisions or approvals involving conflict of interest that result in loss to the University or a personal gain
- (iv) Authorising or receiving compensation for goods not received by or services not performed for the University, including the submission of fake claims for reimbursement of expenses
- (v) False invoicing (involving a staff member of the University or a person external to the University creating a fictitious invoice claiming payment for goods or services not delivered or exaggerating the value of goods delivered or services provided)
- (vi) Theft of funds from the University other than by way of false invoicing
- (vii) Accounts receivable fraud (misappropriation or misdirection of remittances received by an entity from a debtor)
- (viii) Credit card fraud involving the unauthorised use of a credit card or credit card number issued to another person
- (ix) Theft of intellectual property or other confidential information
- (x) Nepotism
- (xi) Misrepresenting research outputs or other research misconduct

5. HOTLINE

5.1 The Fraud, Corruption or Related Misconduct Hotline, 'FairCall' is an independent service provided through a third party.

5.1.1 The third party will provide callers with appropriate alternative reporting options if it is identified that the caller wishes to make a protected disclosure under the Protected Disclosure Policy, or if the information in question should have been reported via an existing internal reporting mechanism (for example, minor HR related matters).

5.1.2 Callers to the hotline are able to contact the third party operator via secure internet, email, fax and mailing. Callers to the hotline will be given the option to remain anonymous, and in such cases, personal identification details will not be provided to The University of Auckland.

5.2 Further information is available to staff on the [Fraud](#) web page.

¹ Definitions as per AS8001-2008 Fraud and Corruption Control

6. PROTECTED DISCLOSURE

- 6.1 The Protected Disclosures Act provides, in prescribed circumstances, immunity from civil, criminal or disciplinary proceedings for employees who make a disclosure of serious wrongdoing.
- 6.2 Refer to the University's [Protected Disclosure Policy](#) for further detail.

7. RESPONSIBILITIES

- 7.1 All staff and contractors have a responsibility to understand and apply the Prevention of Fraud and Corruption Policy.
- 7.2 All staff and contractors have a duty to report suspected fraud, corruption or related misconduct, and to assist with the prevention and detection of such activities.
- 7.3 Senior Managers of the University have responsibility within their area of control to:
- (i) Assess and minimise the risk of fraud
 - (ii) Support the University's internal control system and monitor the output of the detection (e.g., unusual transaction analysis or similar analytics) and other fraud risk management programmes
 - (iii) Promote awareness of ethics and fraud prevention amongst staff
 - (iv) Ensure any reports received of fraud, corruption or related misconduct are responded to in line with this policy.
- 7.4 The Director of Administration has responsibility for:
- (i) Determining whether a financial loss has occurred and quantifying the amount of the loss. All financial losses occurring as a result of fraud will be reported to the Chair of the Audit and Risk Committee and to others as appropriate in accordance with the Risk Disclosures Framework.
 - (ii) Ensuring adequate and effective internal controls are defined for relevant business processes, particularly those that are assessed as having a higher predisposition to the risks of fraud and corruption.
 - (iii) Ensuring the regular review of internal controls.
- 7.5 The Director of Human Resources (or other Vice-Chancellor nominee) has responsibility for:
- (i) Receiving information about actual or suspected fraud, corruption or related misconduct.
 - (ii) After reviewing the information available, determining whether an investigation is required and whether computer and manual records should be secured with limited access. Other actions may include recovering keys, removing computer systems access, and limiting any delegated authorities. Investigations will be undertaken in line with procedures described in relevant University policies and Employment Agreements.
 - (iii) Consulting the Registrar, Director of Administration, Director of Finance, Internal Audit or other person to assist in any investigation. Confidentiality and discretion must be maintained, with information being provided only on a need-to-know basis.

- (iv) Where there is sufficient evidence to make an allegation of fraud, corruption or related misconduct to a member of staff, consulting with the Vice-Chancellor and considering whether the matter should be passed to the Police. In all cases of fraud either a report will be provided to the Police, or a request will be made to have the matter investigated by the Police.

Irrespective of any Police investigation or action, the University will form its own view under employment law as to what allegations will be put to the staff member, and what actions might result depending on the explanations of the staff member.

8. DETECTION AND REPORTING

- 8.1 Where a staff member or other person suspects fraud, corruption or related misconduct in or by the University this should be promptly disclosed to the 'hotline' or directly to the Director of Human Resources or the Vice-Chancellor.
- 8.2 Alternatively a staff member wishing to disclose information about serious wrongdoing in or by the University may make a protected disclosure in accordance with the Protected Disclosure Act and the procedures outlined in the [Protected Disclosures Policy](#).
- 8.3 All reports for suspected fraud, corruption or related misconduct should be made in good faith.
- 8.4 Members of University staff who make reports which are malicious, knowingly false or likely to damage the reputation of another member of staff may face disciplinary action.
- 8.5 If a person who has reported suspected fraud, corruption or related misconduct (other than a protected disclosure in accordance with 6.2) believes, within a reasonable period of time, that no action has been taken, they may report the circumstances to the Director of Administration.

9. LEGISLATION

Crimes Act 1961
Protected Disclosures Act 2000

10. RELATED DOCUMENTS

Protected Disclosures Policy
Conflict of Interest Policy
Gifts, Hospitality and Benefits Policy
Procurement Policy
Tenders and Contracts Interim Framework
Employment Code Discipline Procedures
Sensitive Expenditure Policy
Travel, Entertainment and Expenses Policy
Academic and Professional Staff Collective Agreements
Risk Disclosures Framework
Code of Conduct for Research
Research Misconduct Policy

11. DOCUMENT MANAGEMENT AND CONTROL

Prepared by: Office of the Vice-Chancellor
Owned by: Director of Administration
Approved by: Vice-Chancellor
Date issued: 1 July 2010
Review Period: Biennially
Next Review Date: 1 July 2014