Fraud Control Policy

1. DEFINITION

For the purpose of this policy, the following key definitions are applied, and will be collectively referred to as fraud throughout the policy:

**Corrupt Conduct** is defined in the Crime and Corruption Act 2001 and includes the performance of a dishonest (not impartial) act, breach of trust or misuse of information or material acquired. Further, where proved, it can be a criminal offence or treated as a disciplinary breach providing reasonable grounds for termination of services.

**Corruption** may involve fraud, theft, misuse of position or authority or other acts that are unacceptable to an organisation and which may cause loss to the organisation, its clients or the general community. It may also include such elements as breaches of trust and confidentiality. The behaviour need not necessarily be criminal. The Australian Standard on Fraud and Corruption Control defines corruption as dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or entity.
**Fraud** is a major subset of corruption and is a deliberate, intentional and premeditated dishonest act or omission acted out for the purpose of deceiving to gain advantage from a position of trust or authority. It includes acts such as theft, making false statements or representations, evasion, manipulation of information, criminal deception and abuse of property or time. The Australian Standard on Fraud and Corruption Control defines fraud as dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and whether or not deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, or destruction of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position.

2. **PREAMBLE**

The University has policies and procedures to address risk management across its operations, including teaching and research, financial management, insurance, physical infrastructure maintenance, projects, security, health and safety, systems infrastructure, contracts, and management.

This policy is not intended to duplicate existing risk management processes but aims to ensure that fraud risk management is adopted within the University.

The University has a zero-tolerance towards fraud and is committed to an organisational culture that prevents, detects and deters fraud.

The policy has been developed with reference to the following legislation and guidelines:

- Crime and Corruption Commission (CMC) - "Fraud and corruption control: guidelines for best practice".
- Australian Standard (AS 8001-2003) - "Fraud and corruption control".
- Australian Standard (AS 8000) - "Good governance principles".

3. **POLICY STATEMENT**

The University recognises that fraud risk management is an integral part of good management practice and is committed to establishing an organisational culture that ensures fraud risk management is embedded in University activities and business processes.

The University is committed to establishing and maintaining an organisational culture that supports ethical conduct, thereby minimising the risk of fraud. The introduction of an effective fraud control policy is an essential element specifically designed to ensure the University maintains the ability to operate with integrity, transparency and at maximum economic efficiency.

Good corporate governance requires that appropriate mechanisms be in place for fraud risk management, including policies and procedures, risk assessment, internal controls, investigation, reporting, education and independent auditing so as to reduce the incidence of fraud. The University is committed to ensuring that such mechanisms are in place and that regular auditing occurs to assess control effectiveness.

The University will maintain a Fraud Control Procedure that will outline the process for investigating allegations and suspicions of fraud. Where an investigation shows that a breach has occurred, disciplinary action will follow the procedures for dealing with corrupt conduct.

The University will ensure its staff are aware of its Fraud Control Policy by ensuring it is included in the annual reminder to staff from the Vice Chancellor about the University’s key integrity policies, training of relevant staff, and by ensuring policy updates are communicated to staff.
4. **POLICY OBJECTIVES**

Implementing effective fraud controls is part of effective corporate governance and management practices. Such controls seek to protect the University's assets, interests and reputation. The objective of this policy and its related procedures is to define the accountabilities, responsibilities and procedures necessary to implement an effective Fraud Control Policy.

5. **APPLICABILITY**

This policy and its related procedures apply to all staff, management and contractors of the University.

6. **FRAUD CONTROL PROCEDURES**

The Fraud Control Procedure follows the 10-element model from CCC. The full details of this model are set out in Fraud Control Procedure. The CCC's 10-elements model includes:

1. University-wide integrated policy
2. Risk assessment
3. Internal controls
4. Internal reporting
5. External reporting
6. Public interest disclosures
7. Investigations
8. Code of conduct
9. Staff education and awareness
10. Client and community awareness

7. **ROLES AND RESPONSIBILITIES**

To help ensure that the University's fraud risk management program is effective, it is important to understand the roles and responsibilities that personnel at all levels of the University have with respect to fraud risk management.

The Finance, Resources and Risk Committee, Audit Committee, Vice Chancellor, Vice President (Corporate Services), Executive Management, Management, Staff and Audit, Risk and Compliance all have roles in a University's fraud risk management program.

7.1 **Finance, Resources and Risk Committee**

The Committee is responsible for the oversight of the University's internal control systems and risk management processes including fraud reporting and management. The Committee monitors the effectiveness of internal controls established to manage identified risks, including fraud risk.

**Audit Committee**

The Committee assists the Council and the Vice Chancellor to discharge the financial and performance management responsibilities imposed under the *Financial Accountability Act 2009*, *Financial & Performance Management Standard 2009* and other relevant legislation. The Committee reviews, in conjunction with the University Executives, the University’s compliance and ethics program, including the risk of fraud.
7.2 Vice Chancellor

The Vice Chancellor is responsible for the management of risks faced by the University, including fraud, and to ensure that fraud is reported to the Finance, Resources and Risk Committee. The Vice Chancellor is also responsible for ensuring the adequacy of internal controls and for ensuring that such controls operate as intended.

The Vice Chancellor, as chief executive officer, has a duty to notify the Crime and Corruption Commission if he/she suspects that a "complaint, or information or matter involves, or may involve, official misconduct."

7.3 Vice President (Corporate Services)

The Vice President (Corporate Services) is responsible for the management of financial and operational risks within the University and for the implementation and management of several key financial internal controls including (but not limited to):

- Internal and external auditing functions;
- Financial management and reporting;
- Maintaining a regular review over financial risks.

The Vice President (Corporate Services) is also responsible for the implementation and management of the Fraud Control Policy, and for:

- Establishing and maintaining a Fraud Control Procedure to document reporting and recording processes to be followed in the event of an allegation of fraud.
- Receiving fraud and related loss reports from managers and staff.
- Determining when an investigation is required.
- Ensuring investigations are conducted in a timely manner and in accordance with this procedure.
- Reporting fraud incidents and findings from investigations to the Vice Chancellor, Finance, Resources and Risk Committee and the Audit Committee
- Ensuring there is an ongoing fraud awareness program, including training for Management and staff in relation to their responsibilities for preventing, detecting and reporting fraud.
- Ensuring that the annual risk review process properly addresses fraud risks.

The Vice President (Corporate Services) may delegate tasks to relevant officers, including assistance with or participation in a fraud investigation.

7.4 Management

It is the responsibility of management to ensure that mechanisms are in place that minimise the opportunity for fraud and dishonesty within their area of control. Managers are responsible for implementing any actions required by the University's Risk Management Policy and conducting risk assessments within their areas.

Managers have a general responsibility to lead by example and to cultivate a culture within their work team that supports high standards of ethical conduct (in accordance with the University's Code of Conduct).

Managers are also responsible for ensuring that persons who raise concerns in relation to possible fraud are protected from any adverse treatment or retaliation. Managers must discuss their approach to managing an internal informant with the Vice President (Corporate Services).

7.5 All Staff

All staff play an important role in identifying and reporting suspicious actions or wrong doing to their Supervisors or Managers.

Where the staff member suspects that their Supervisors or Managers are involved in the fraudulent activities, the matter should be reported to the Vice President (Corporate Services).
8. REVIEW

This policy will be reviewed every two years by the Vice President (Corporate Services) for adequacy and effectiveness. Furthermore, it shall be reviewed after any significant incident of fraud.