

Fraud and Corrupt Conduct Procedure Section 1 - Purpose and Scope

- (1) The potential damage to The University of Queensland's (UQ's) credibility and loss of public confidence may far exceed any likely financial or material loss resulting from fraud and corrupt conduct. These factors underpin UQ's zero tolerance approach to fraud and corrupt conduct, with the desired outcome being the prevention of all fraud and corrupt conduct related incidents involving UQ.
- (2) UQ's strategy to prevent fraud and corrupt conduct will at all times support the protection of property, information, revenue, expenditure, and the rights of organisations and individuals. However, managing the risks associated with UQ's financial and physical resources is only part of UQ's strategy to prevent fraud and corrupt conduct.
- (3) This Procedure supports UQ's <u>Fraud and Corrupt Conduct Policy</u> and identifies the minimum mandatory requirements for all UQ staff, affiliates, volunteers and members of Senate in the prevention of fraud and corrupt conduct. The definition of 'corrupt conduct', staff, affiliates and volunteers is provided in the appendix of this Procedure.
- (4) This Procedure does not specify how complaints or information that involves or may involve reasonably suspected Corrupt Conduct by the Vice-Chancellor and President (the public official of the University) are to be dealt with. Refer to the Complaints of Corrupt Conduct against the Vice-Chancellor and President Policy.

Section 2 - Process and Key Controls

- (5) UQ is committed to an integrated approach to prevent and control fraud and corrupt conduct at UQ or involving UQ. This approach is based on the 'three lines' assurance model and the key themes of the <u>Australian Standard</u> 8001-2021 Fraud and Corruption Control including its guidance on planning and resourcing. The key themes are demonstrated by UQ's efforts to Prevent, Detect and Respond to fraud and corrupt conduct risks.
- (6) UQ's <u>Fraud and Corrupt Conduct Control Plan</u> outlines the strategies UQ adopts to support and strengthen its management of fraud and corrupt conduct as outlined in this Procedure.
- (7) The key controls designed to PREVENT fraud and corrupt conduct at UQ include the development of a sound ethical culture through communication and awareness.
 - a. UQ's <u>Staff Code of Conduct Policy</u> states that all staff must not engage in corrupt or fraudulent conduct or maladministration, and should report genuinely suspected or known instances of fraud, corrupt conduct.
 - b. All staff must complete the Staff Standards of Conduct online module which incorporates training on Fraud and Corruption.
- (8) The key controls designed to DETECT fraud and corrupt conduct include a responsibility on staff to report their concerns as soon as practical to their supervisor or senior manager in their work area or directly to UQ's Integrity Unit. This is supported at UQ by:
 - a. complaints management processes to facilitate the reporting of fraud and corrupt conduct concerns;

- b. processes and systems for post-transactional review and data mining; and
- c. internal and external audit activities.
- (9) The key controls designed to RESPOND to identified instances of fraud and corrupt conduct include:
 - a. the conduct of inquiries and investigations by suitably qualified and trained staff or external contractors;
 - b. clear policies and procedures for dealing with incidences of fraud and corrupt conduct, including processes for referring matters to the Commission (CCC); and
 - c. effective disciplinary proceedings.

Section 3 - Key Requirements

Organisational Commitment

(10) To give effect to its position of zero tolerance of fraud and corrupt conduct and to meet its legislative obligations, UQ will:

- a. Take all reasonable steps to proactively establish a culture and an operating environment that overtly and emphatically denounces fraud and corrupt conduct at UQ, including the strong endorsement of this policy and Procedure.
- b. Effectively manage the risks of fraud and corrupt conduct at UQ by:
 - i. assessing the risks of fraud and corrupt conduct in all its operations, business activities and projects;
 - ii. designing and implementing appropriate controls to manage the risks, paying particular attention to minimising the opportunities for engaging in fraud and corrupt conduct;
 - iii. monitoring and reviewing the effectiveness of the controls and addressing any deficiencies; and
 - iv. providing assurance on the effective management of the risks of fraud and corrupt conduct.
- c. Encourage and facilitate, through planning and provision of resources, the identification and honest disclosure and reporting of activities and behaviour that are fraud and corrupt conduct or appear to be so.
- (11) Unless directed otherwise by the CCC, the Integrity Unit will refer all corrupt conduct allegations to the CCC for assessment. Investigations will be conducted in accordance with UQ's <u>Complaints Management Procedure</u> as well as the CCC's guide '<u>Corruption in focus</u>'.
- (12) Substantiated allegations will be referred to the appropriate decision-maker for consideration.

Public Interest Disclosures

(13) UQ will manage public interest disclosures (PID) in accordance with its <u>Public Interest Disclosure Policy</u> and <u>Public Interest Disclosure Procedure</u>.

Corrective Measures - Systemic Issues

(14) Following an investigation into suspected fraud and corrupt conduct, evidence must be provided to the Integrity Unit on request from management to demonstrate how systemic issues were dealt with, including what corrective measures were taken to eliminate or minimise the risks that were identified.

Prevention

Internal Controls

(15) UQ ensures its internal controls are sufficient to manage corporate risk through its commitment to the 'Three

lines of defence' assurance model.

Staff Training and Awareness

- (16) Staff training can go beyond Code of Conduct and Fraud and Corruption Awareness Training and may also include additional training on:
 - a. culture awareness
 - b. accountability
 - c. internal controls.
- (17) UQ's Staff Development portal provides access to staff training schedules.

Risk Assessment

(18) UQ will conduct fraud and corrupt conduct risk assessments in accordance with its <u>Enterprise Risk Management</u> <u>Framework Policy</u> (ERMF) to assess how the level and type of risks to UQ should be addressed.

Detection

Reporting Reasonably Suspected Cases of Fraud and Corrupt Conduct

(19) UQ will ensure the proper reporting of all reasonably suspected cases of fraud and corrupt conduct and will provide protection for those that report fraud and corrupt conduct from harm for doing so. Where appropriate, protection will be provided to those that disclose these types of matters under the <u>Public Interest Disclosure Act 2010</u> and the relevant UQ policy.

Data Mining and Post-transactional Review

(20) UQ conducts real time computer system analysis using systems such as Continuous Control Monitoring (CCM) to identify fraudulent transactions and potential integrity risks such as a vendor having the exact same address or bank details as a staff member.

Internal Audit

(21) The internal auditing of UQ transactions will, depending on the circumstances, identify activities, trends and risks which of themselves could be prima facie evidence of fraud and/or corrupt conduct, or will after further investigation reveal evidence of potential inappropriate behaviour.

External Audit

(22) Where financial statements are audited, UQ is to be aware of the role and responsibilities of the external auditor in detecting fraud. UQ will discuss the audit procedures with the external auditor to establish what efforts will be carried out to detect material misstatements in financial records due to potential fraud or error.

Response

Investigation

- (23) UQ will thoroughly and objectively investigate and report on complaints and allegations of fraud and corrupt conduct. UQ will deal with all such matters in accordance with any relevant CCC recommendation or direction and relevant UQ policies and procedures.
- (24) Where possible, confidentiality will be maintained at all times during an investigation. No information will be disclosed to other persons unless required or permitted by law.

External Investigators

- (25) In limited situations UQ may engage an external investigator.
- (26) Where the matter may involve a PID and/or reasonably suspected corrupt conduct it is vital that the external investigator is made aware of UQ's obligations under the <u>Public Interest Disclosure Act 2010</u> and the CCC's requirements regarding the conduct of investigations.
- (27) The approval of either the Chancellor, Vice-Chancellor and President or the Chief Operating Officer must be obtained prior to the engagement of an external investigator for a workplace investigation regarding reasonably suspected fraud and or corrupt conduct.

Referral to the CCC (Generally)

(28) Unless directed otherwise by the CCC, UQ will promptly refer complaints to the CCC for assessment where UQ reasonably suspects corrupt conduct. UQ will ensure it complies with sections 40, 44 and 48 of the Corruption Act 2001 and the Public Records Act 2023.

Confidentiality

(29) UQ will treat all matters of reasonably suspected corrupt conduct (which can include fraud) confidentially. Where possible, UQ will protect personal information of the complainant in accordance with the <u>Privacy Policy</u> and, if applicable, the <u>Public Interest Disclosure Policy</u>. However, there may be some instances where the disclosure of personal information will be necessary to adhere to the principles of natural justice or as required by law.

Internal Reporting

- (30) Staff are required to report financial losses to UQ's Chief Financial Officer (CFO) and the Insurance Services unit in accordance with UQ's Reporting of Losses Procedure.
- (31) All reports and concerns of actual or reasonably suspected fraud and corrupt conduct are to be reported to the Integrity Unit. The Integrity Unit will liaise with the relevant supervisor or senior manager where appropriate.
- (32) The Integrity Unit is responsible for ensuring appropriate assessment and investigation of fraud and corrupt conduct matters to ensure compliance with additional external reporting requirements and for providing feedback to the discloser.
- (33) Internal Audit will report any identified or reasonably suspected cases of fraud and corrupt conduct to the Integrity Unit as soon as possible for further assessment. Similarly, for consideration in the Internal Audit planning process the Integrity Unit will, at the conclusion of an investigation, inform Internal Audit of any identified systemic breakdown regarding internal controls.
- (34) The CFO and Insurance Services will report any reasonably suspected cases of fraudulent or corrupt practices to the Integrity Unit and vice versa.

External Reporting

(35) UQ has a number of legislative obligations in relation to reporting fraud and corrupt conduct matters to external agencies. These obligations are summarised as follows:

Reporting Agency	Responsible University Officer	Details to Report
Crime and Corruption Commission	The Vice-Chancellor has nominated the Director, Integrity Unit, to be the CCC Liaison Officer.	Suspected corrupt conduct as defined by the Crime and Corruption Act 2001. Reportable as soon as reasonable suspicion is reached, unless otherwise stated by the CCC.
Queensland Police Service	Director, Integrity Unit	Suspected criminal activity against the University. See Note 1
Queensland Auditor- General	Chief Financial Officer	Criminal offences involving material loss for property that is money, a loss of more than \$500, or for other property, a loss valued by the accountable officer of the University at more than \$5000. See Note 1
Minister for Education	Chief Financial Officer	Criminal offences involving material loss for property that is money, a loss of more than \$500, or for other property, a loss valued by the accountable officer of the University at more than \$5000. See Note 1

^{*}Note 1: Pursuant to s21(3) of the <u>Financial and Performance Management Standard 2009</u> external reporting should occur as soon as practicable but no later than 6 months after the accountable officer has become aware of the loss.

Disciplinary Action

(36) UQ will discipline members of staff that have engaged in fraud and/or corrupt conduct, notwithstanding their position and power in accordance with the Enterprise Agreement, and other relevant policies and procedures.

Frivolous or Vexatious Complaints

(37) UQ will take disciplinary action against member of staff for making complaints that are frivolous or vexatious or that intentionally makes false or misleading statements. Making such complaints or statements may be reasonably suspected to amount to corrupt conduct and subsequently referred to the CCC if necessary.

Weaknesses in Control

(38) UQ will promptly address any deficiencies in controls or culture to prevent the recurrence of similar irregularities and to further reduce the risk of corrupt conduct.

Community Awareness

(39) To maintain public confidence and trust in UQ, information about UQ's <u>Fraud and Corrupt Conduct Policy</u> and this Procedure will be made accessible to key stakeholders such as contractors, suppliers and consultants.

Section 4 - Roles, Responsibilities and Accountabilities

Integrity Unit

(40) The Vice-Chancellor and President has authorised the Director, Integrity Unit to refer matters of reasonably suspected corrupt conduct to the CCC.

- (41) The Integrity Unit is responsible for:
 - a. undertaking a UQ-wide fraud and corrupt conduct risk assessment and ensuring appropriate controls are in place;
 - b. assisting and supporting other complaints management functions of UQ as directed;
 - c. managing and undertaking investigations and developing investigation frameworks associated with this Procedure and the <u>Fraud and Corrupt Conduct Policy</u>; and
 - d. reporting on investigations and complaints and identifying trends.

Internal Audit

(42) Internal Audit will report any cases identified as possible or reasonably suspected fraud and corrupt conduct to the Integrity Unit for further assessment. Similarly, for consideration in the Internal Audit planning process the Integrity Unit will, at the conclusion of an investigation, inform Internal Audit of any identified systemic breakdown regarding internal controls.

Section 5 - Monitoring, Review and Assurance

- (43) The Director, Integrity Unit is responsible for the promotion of this Procedure and for ensuring that it is regularly reviewed for currency and effectiveness.
- (44) The Director, Integrity Unit will continually monitor and review actions for the purpose of:
 - a. assessing compliance with this Procedure and to demonstrate/confirm its effectiveness;
 - b. identifying, assessing and promptly addressing any deficiencies;
 - c. ensuring ongoing relevance of this Procedure;
 - d. assessing effectiveness of controls; and
 - e. reporting through the Chief Operating Officer on weaknesses in controls as appropriate.

Section 6 - Recording and Reporting

- (45) The Integrity Unit will record all reported or detected incidents of fraud or corrupt conduct within its Complaints Management Database.
- (46) The Integrity Unit will prepare and submit reports on current matters and trends involving fraud or corrupt conduct as required for statistical analysis and corrupt conduct prevention, and to the following parties as required or requested:
 - a. University Senior Executive Team
 - b. Senate Risk and Audit Committee
 - c. the CCC
 - d. external auditors.

Section 7 - Appendix

Definitions

Term	Definition		
Affiliates	academic title-holders, visiting academics, emeritus professors, adjunct and honorary title-holders, industry fellows and conjoint appointments.		
Complaint	an expression of dissatisfaction with a product or service offered or provided by UQ or the conduct of UQ staff, affiliates, volunteers or students (in so far as their role at UQ), whether voiced by a member of the community, staff, affiliate, volunteer or a student. In relation to corrupt conduct, a complaint includes information or a matter of reasonably suspected corrupt conduct.		
Corrupt Conduct	 under s15 of the CC Act, there are two different types of corrupt conduct known as 'Type A' and 'Type B': Type A involves conduct by any person that affects, or could affect, how officers from a Unit of Public Administration (i.e. the University) perform their functions or exercise their powers. Some common examples of Type A corrupt conduct include fraud (e.g. misuse of a corporate credit card), unauthorised release of information or nepotism in recruitment. Type B involves conduct by any person that impairs, or could impair, public confidence in public administration. Type B corrupt conduct might include collusive tendering or dishonestly obtaining public funds or state assets. Each type of corrupt conduct has to satisfy three essential elements including that the conduct must be either a criminal offence or serious enough to warrant dismissal. Further details about this essential criteria can be found at s15 of the CC Act and in the CCC's guide 'Corruption in focus'. 		
Corruption	a broader term than corrupt conduct. Defined by <u>Australian Standard 8001-2021 Fraud and Corruption Control</u> as: 'Dishonest activity in which a person associated with an organisation (e.g., director, executive, manager, employee or contractor) acts contrary to the interests of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly.'		
Enterprise Agreement	The <u>University of Queensland Enterprise Agreement 2021-2026</u> , or as amended or replaced.		
Fraud	defined by <u>Australian Standard 8001-2021 Fraud and Corruption Control</u> as: 'Dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity.'		
Reasonably Suspects	under the <u>CC Act</u> , 'reasonably suspects' means 'suspects on grounds that are reasonable in the circumstances'. The 'Corruption in focus' guide adds that for a suspicion to be 'reasonable', there needs to be more than bare or idle speculation and that, in essence, there must be some evidence sufficient for a reasonable person to suspect corrupt conduct.		
Staff	continuing, fixed-term, research (contingent funded) and casual staff members.		
Volunteers	members of the community who donate their services in a voluntary capacity to UQ without expectation of remuneration. Volunteers include those undertaking work on fundraising and community-oriented projects, tertiary students wishing to gain exposure to particular UQ functions, among others.		

Status and Details

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Enquiries Contact	Integrity Unit