

# Reporting of Losses Procedure

## Section 1 - Purpose and Objectives

(1) This Procedure sets out the actions to be taken when a loss is identified.

## Section 2 - Definitions, Terms, Acronyms

Term	Definition
Losses	include: <ul style="list-style-type: none"> <li>• bad debts written off (debt forgiveness);</li> <li>• thefts;</li> <li>• accidental and wilful damage; or</li> <li>• property destruction and losses due to negligence.</li> </ul>
Material loss	includes: <ul style="list-style-type: none"> <li>• for property that is money - a loss of more than \$500; or</li> <li>• for other property - a loss valued by the accountable officer or statutory body at more than \$5,000; or</li> <li>• any item listed on the Asset Register.</li> </ul>

## Section 3 - Procedure Scope/Coverage

(2) This Procedure relates to any losses made by The University of Queensland (UQ).

## Section 4 - Procedure Statement

(3) Losses may result from various causes including theft, writing-off bad debts, unauthorised acts and omissions and wilful destruction. UQ is committed to prevention of unnecessary loss. Accordingly, all losses will be investigated and reported on.

(4) This Procedure relates to any losses incurred by UQ with the exclusion of the following:

- a. provisions for impairment (of receivables);
- b. impairment losses, being the amount by which the carrying amount of an asset exceeds its recoverable amount; or
- c. routine inventory adjustments.

(5) This Procedure is consistent with the requirements of sections 16 and 17 of the [Financial and Performance Management Standard 2019](#).

(6) Disclosure in the financial statements is required of the total amount of each class of material loss.

# Section 5 - Action to be Taken when a Loss is Identified

## Loss from Offences or Corrupt Conduct

(7) This section applies if the Head of Organisational Unit becomes aware of a loss, and considers the loss may be the result of:

- a. an offence under the Criminal Code or another Act; or
- b. the corrupt conduct of a staff member; or
- c. the conduct of a consultant or a contractor engaged by UQ that would amount to corrupt conduct if it were the conduct of a staff member.

(8) The Head of Organisational Unit must:

- a. investigate the loss;
- b. prepare an internal report relating to the incident;
- c. take action to prevent the loss recurring;
- d. submit a [Loss Report Form](#) to UQ Insurance Services without delay; and
- e. report the loss to the Chief Financial Officer (CFO).

(9) The CFO must keep a written record of the following details about the loss:

- a. a description of the property, including its value;
- b. the date and reason for the loss;
- c. the action taken about the loss, including, for example the following:
  - i. action to remedy any weakness in the internal control of the Organisational Unit or UQ;
  - ii. action taken to obtain reimbursement; and
- d. details about approval for writing off the loss.

## Reporting of Material Losses as a Result of Offences or Corrupt Conduct

(10) For all material losses as a result of offences or corrupt conduct, Insurance Services must, as soon as practicable but not later than six (6) months after the loss was identified, notify:

- a. the Minister for the Department of Education; and
- b. the Auditor-General.

(11) For all material losses, the CFO must, as soon as practicable but not later than six (6) months after the loss was identified, notify:

- a. for a loss as a result of an offence under the Criminal Code or another Act - a police officer;
- b. for a loss as a result of the corrupt conduct of a staff member - the Crime and Corruption Commission.

## Other Material Losses

(12) This section applies if the Head of Organisational Unit becomes aware of a material loss, other than a loss from offences or corrupt conduct. The Head of Organisational Unit must:

- a. investigate the loss;
- b. prepare an internal report relating to the incident;
- c. take action to prevent the loss recurring;
- d. submit a [Loss Report Form](#) to Insurance Services without delay; and
- e. report the loss to the CFO.

(13) The CFO must keep a written record of the following details about the material loss:

- a. a description of the property, including its value;
- b. the date and reason for the loss;
- c. the action taken about the loss, including, for example, action taken to obtain reimbursement; and
- d. details about approval for writing-off the loss.

## **Financial Statement Disclosures**

(14) Material losses must be separately disclosed in the notes to the financial statements under the "Other Expenses" note.

# **Section 6 - Write-Off and Internal Reporting of Losses**

(15) All write-offs of bad debts, stores inventory, assets and the write-off of any other losses must be approved, in writing, by an officer with authority under UQ's [Schedule of Financial Delegations and Sub-delegations](#).

(16) Where such a loss has occurred, Organisational Units, in addition to the processes specified in this Procedure, must notify Finance and Business Services Division of the loss in accordance with the procedures specified in the following:

- a. [Investment Policy](#)
- b. [Borrowings Procedure](#)
- c. [Credit, Pre-billing and Collection Procedure](#)
- d. [Assets Procedure](#).

## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	24th September 2021
<b>Review Date</b>	24th September 2026
<b>Approval Authority</b>	Chief Financial Officer
<b>Approval Date</b>	24th September 2021
<b>Expiry Date</b>	Not Applicable
<b>Policy Owner</b>	Gail Jukes Chief Financial Officer
<b>Enquiries Contact</b>	Finance and Business Services