Fraud and Corruption Control

1.0 Purpose

This procedure outlines the key structural elements for fraud and corruption management, within Griffith University, including the actions and processes to effectively prevent, detect and respond to fraud and corruption.

It supports the Fraud and Corruption Control Policy, which outlines our commitment to and principles underpinning our approach to, preventing, detecting, and properly responding to fraud and corruption and identifies the minimum mandatory requirements for all Griffith staff, managers and Council members.

This procedure also supports Griffith's commitment to the United Nations Sustainable Development Goals in promoting and supporting the University's responsibility for cultivating a decent, fair, transparent and accountable workplace that operates with integrity.

2.0 Scope

This procedure applies to all University staff, University Council and University Committee members. It also applies to any of the University's controlled entities and may include third parties granted access to or assisting the University and its controlled entities.

This procedure must be read in conjunction with any agreed processes for managing alleged staff misconduct that are considered under the University Enterprise Agreements and the related policy documents and supporting documents in this procedure.

This procedure applies to all students to the extent that they can assist in prevention and response to fraud and corruption, however any matters relating to alleged general, research or academic misconduct will be dealt with as set out in the Student Misconduct Policy, Student Academic Misconduct Policy, The Responsible Conduct of Research Policy, and related instruments or any equivalent policies for University controlled entities.

3.0 Procedure

3.1 How to report actual or suspected fraud and corrupt conduct

All members of the University community play an important role in identifying and reporting suspicious actions or wrongdoing. While the majority of fraud and corruption is identified by staff, potential fraudulent or corrupt behaviour can also be detected by external stakeholders. The University strongly encourages and expects staff to identify and make public interest disclosures about suspected wrongdoing to assist in the prevention of fraud and corruption.

- A staff member or external stakeholder who reasonably suspects or identifies fraudulent or corrupt activity or opportunities for the same should:
  - remain calm and avoid alerting the perpetrator or perpetrators that they have become aware of the fraudulent behaviour.
  - report their concerns immediately:
    - If they are a staff member, in accordance with the Public Interest Disclosure Policy, or to their manager or supervisor, to their relevant Director, Head of School, Dean or PVC, the Integrity Unit, the General Counsel or the Chief Operating Officer or via the independent hotline 'Your Call'. Legislative protection is accorded to staff members who make disclosures under the Public Interest Disclosure Policy.
    - If they are an external stakeholder, via the independent hotline 'Your Call' or via email to the Chief Operating Officer to complaints@griffith.edu.au or telephone: +61 7 373 57111.
    - *Note: 'Your Call' is an independent hotline engaged by the University to manage disclosures impartially and confidentially and to facilitate disclosers to provide information or concerns without fear of reprisal. Disclosers may opt to remain anonymous. The Your Call service may be contacted on 1300 790 228 (business days 9.00am to 12.00am) or online at www.yourcall.com.au/report. The organisational identification for the University is GRIFFITH.*
  - maintain confidentiality and not to discuss the matter, other than for the purpose of making a report. Maintaining confidentiality protects the disclosing staff member or external stakeholder against reprisals and also protects other people affected by the disclosure. An unauthorised revelation of the identity of the staff member or external stakeholder or of the details of the disclosure may result in disciplinary action against the divulger of the information.
- A report of suspected fraud or corruption should provide as much of the following information as is known:

  - date and time of the report
  - date and time that the incident occurred/was detected
  - names of parties involved
  - names of any witnesses
  - how the incident came to the attention of the reporting person
  - the nature of the incident
  - the value of the loss, if any, to the University
  - any action that has been taken subsequent to the occurrence/detection of the incident.
- Any University employee who receives a report of suspected fraud or corruption in accordance with clause (a)(2) above must escalate the matter to the Integrity Unit as soon as practicable.
- When an instance of suspected fraud or corruption is identified, management and staff must ensure that they do not do anything that may prejudice any subsequent investigation and avoid alerting any person who may be suspected of fraud or corruption. This is important to minimise the chance of evidence being removed or destroyed. If in doubt, do not pursue any further inquiries and report the matter in line with this procedure.
- The University does not mandate that reports must be made internally, and individuals are not prevented from making a report directly to an applicable government body or external agency.

There can also be circumstances where the University is legally required to refer a report to a government body or external agency.

3.2 Procedures for preventing, detecting and responding to fraud and corrupt conduct

Griffith's approach to preventing, detecting and responding to fraud and corrupt conduct is based on the key themes of prevention, detection and response as described in the Fraud and Corruption Control Policy.

3.2.1 Prevention

The University utilises the following systems, controls and processes to proactively support the mitigation, minimisation and prevention of fraud and corruption.

- **Standards of behaviour:** The standards of behaviour expected from all staff members are outlined in the University's Code of Conduct which promotes integrity through ethical decision-making and sets out the University's general and specific expected standards of behaviour.

- **Training and awareness:** All staff are required to complete annual fraud and corruption awareness training, while regular, specialised training is provided to those staff whose roles are critical to fraud prevention and detection. The available training is as follows:

TRAINING	DESCRIPTION	ROLE REQUIRED	INTERVAL
FRAUD & CORRUPTION TRAINING	Online module designed to build awareness and to increase understanding of what constitutes fraud and corruption and the standards of behaviour that the University expects from all staff.	Mandatory for all staff.	On commencement of employment and subsequently annually.
CYBER SECURITY ESSENTIALS TRAINING	Online module designed to help all staff better protect themselves and the university from cyber security threats. This training covers cyber security responsibility, key threats, mitigation actions and incident reporting.	Mandatory for all staff.	On commencement of employment and subsequently annually.
SECURE GLOBAL ENGAGEMENT	Online module designed to provide the knowledge needed to assure that arrangements involving international parties are conducted safely and securely.	Mandatory for staff in academic roles. Recommended for Professional, Casual and Sessional staff.	Annually
FRAUD & CORRUPTION CRITICAL ROLE TRAINING	Face to face/Teams/other learning.	Mandatory for staff whose roles are critical to fraud prevention and detection.	Quarterly
CONFLICT OF INTEREST TRAINING	Online module designed to help staff identify private interests that may create conflicts and to increase awareness of disclosing and managing conflicts of interest	Mandatory for all staff (from 2024).	On commencement of employment and subsequently annually.
CONFLICTS OF INTEREST; GIFTS & BENEFITS; PUBLIC INTEREST DISCLOSURE WORKSHOPS	Face to face/Teams/other learning.	As requested by Managers for particular staff areas	Ad hoc

- **Employment vetting:** The University requires that relevant departments support our fraud prevention activities by evaluating candidates' credentials, competence, and attitudes, and matching their skills to position description job requirements. In instances where candidates are applying for roles critical to fraud and corruption prevention, a criminal history and other background checks are performed. The vetting processes include the following:

TYPE OF VETTING	STAFF TO BE VETTED	WHEN COMPLETED	AREA RESPONSIBLE
EXTERNAL REFERENCE CHECKS	All candidates (new and existing employees who are changing roles or promoted).	As part of screening process.	HR or Chair of Panel
VERIFYING STATED QUALIFICATIONS	Academic positions	As part of onboarding process.	HR or Chair of Panel
CRIMINAL HISTORY CHECKS	Where positions are critical to fraud prevention and detection or where identified as necessary by HR – regardless of whether new candidate or existing employee.	Requested when letter of offer is accepted.	HR

- **Fraud and corruption risk management:** The University maintains a Fraud Risk Register for assessment, evaluation and treatment of potential fraud risks, in accordance with the Enterprise Risk Management procedures. Fraud risk assessments are regularly reviewed by the relevant operational units in the University, with guidance and governance from the Risk and Resilience team to ensure that mechanisms are robust and up to date. The fraud risk assessment process (which also considers corrupt actions) considers the incentives, pressures and opportunities to commit fraud within the context of the University's control environment.

- **Incorporating controls in high risk areas:** The University incorporates prevention controls in high risk areas such as recruitment and procurement:

    o Recruitment and selection processes: Relevant staff ensure that job advertisements, key selection criteria and promotional materials carry essential information about the values and ethical standards of the University to prospective employees.

    o Procurement: Relevant units document process controls for procurement and purchasing functions – including e-commerce activities, tendering, contract management and administration, and the practices of external agents/contractors/consultants and providers of goods/services.

    o All staff, officers and agents of the University involved in the drafting, selection, award or administration of recruitment, selection or procurement are required to comply with the University's Conflict of Interest Policy.

- **Systems of internal control:** The University maintains internal controls to either prevent or mitigate the potential impact of fraud and corruption risks. There are three main types of internal controls:

  o Preventative controls are designed to discourage errors or irregularities from occurring. They are proactive controls that help to ensure departmental objectives are being met. Examples of preventative controls include segregation of duties and authorisations.

  o Detective controls are designed to find errors or irregularities after they have occurred. Examples of detective controls include reconciliations and stock counts.

  o Directive controls are designed as guidance to assist staff in performing their duties. Examples of directive controls include policies, procedures, and job aides.

- **Third party fraud and corruption prevention:** The University requires that:

  o Contractors and suppliers be subject to a structured risk-based due diligence process.

  o Staff with responsibilities for managing contractors and third parties demonstrate a high level of awareness of the specified fraud risks they face. Their position descriptions and performance agreements must also include responsibility for managing fraud risks.

  o Where appropriate, contracts and service level agreements include:

    ▪ clear accountabilities for managing fraud risk and termination provisions if a third party breaches its fraud management obligations.

    ▪ the right to audit third party processes and transactions in contractual arrangements with third parties.

3.3 Detection

The University maintains appropriate systems, controls and processes to detect fraud or corrupt practices where preventative mechanisms are unsuccessful.

- **Reporting and public interest disclosures (whistleblowing):** The University has implemented reporting processes through the Public Interest Disclosure Policy, the third party hotline 'Your Call', and internal complaints pathways to facilitate the reporting of fraud and corrupt conduct concerns.

- **Monitoring and review:** The University has designed and implemented data analysis and monitoring tools to detect suspicious, abnormal and unusual data, information or practices that can typically be indicators of fraud or corruption.

- **Internal Audit program:** The Internal Audit program uses a variety of methodologies and approaches to detect fraud and corrupt practices that may exist within, or can influence the operations of, the University and its environment. This includes:

  o The annual Internal Audit Plan developed through collaboration with the University's senior executive, governance committees, external and co-sourced auditors, and reference to the Crime and Corruption Commission (CCC) and Queensland Audit Office (QAO) reports and plans.

- Auditing the University's management controls over fraud, including policies, procedures, training and awareness practices; culture and governance; risk management and assessment practices, as well as evaluating the adequacy and effectiveness of preventative and detective mechanisms.

- Auditing to detect possible fraud and corrupt practices within the University's internal environment and external partnerships by evaluating high risk processes.

- Evaluating the effectiveness of prevention mechanisms such as the contractor/supplier due diligence processes.

- Considering fraud as part of each assurance engagement performed and brainstorming, researching and benchmarking to identify areas that may not have been identified as part of preventative fraud risk assessment processes.

- **External Audit:** External audit is responsible for conducting the audit of the University's financial statements, obtaining reasonable assurance about whether the financial statements are free of material misstatement and whether the misstatements were caused by error or fraud, regularly reporting to the Audit Committee and, where concerns are identified, make recommendations to strengthen the University's control environment.

3.4 Response

When fraud or corrupt action is identified or suspected, the University utilises the following mechanisms for responding to fraud or corrupt practices:

- **Notification to and Assessment by the COO:** as the University's authorised officer, the Chief Operating Officer (COO) should be informed of all alleged internal fraud and corrupt conduct incidents. The COO or their delegate will assess the allegation of fraudulent or corrupt behaviour to determine the appropriate course of action and resolution including whether a preliminary investigation is required and whether the matter is to be managed as a disclosure as detailed in the Public Interest Disclosure Policy. The COO may delegate assessment tasks to relevant University officers.

- **Referral to the CCC:** Pursuant to the *Crime and Corruption Act 2001*, the University will promptly notify the CCC of any reasonable suspicion of corrupt conduct prior to determining whether an offence has occurred.

- **Investigations:** The conduct of inquiries and investigations will be undertaken in accordance with the University's investigation procedures, by suitably qualified and trained staff or external contractors as directed by the COO or their delegate.

  - Section 44.3 of the *Crime and Corruption Act 2001* provides that if the University is satisfied that a complaint is frivolous or vexatious or lacks substance or credibility or that dealing with the complaint would be an unjustifiable use of resources, then the University may take no action or discontinue action. The decision not to proceed must be made by the COO or their delegate, and the University must advise the complainant of its reasons for taking no action.

  - If the COO or their delegate decides that a matter warrants investigation, they may delegate tasks and/or undertake consultations with relevant senior officers as necessary for the

purpose of the initial review of the matter. If a decision is made to investigate, this will be done with consideration for the following:

- the Principles of procedural fairness.

- Provisions, directives, guidelines and procedures required by law and relevant staff enterprise agreements are observed throughout the process.

- Appropriate confidentiality to ensure the integrity of the inquiry and to minimise the impact of the investigation. Prudent handling of materials and information minimises the risk of evidence being contaminated, possible reprisals against any staff member or external stakeholder, prejudice against the subject officer or prejudgement of the outcomes.

- Evidence collected during an investigation must be performed in accordance with the rules of evidence and protected so that it will stand up as evidence in a court of law.

- If there is any doubt about the University's authority to gather information, appropriate legal advice should be sought.

o If based on the evidence, the allegations are found to be unsubstantiated, the Chief Operating Officer or their delegate may direct the investigation to be closed off and no further action will be taken.

o Substantiated allegations will be referred to the appropriate decision-maker and to any required regulatory bodies for consideration.

- **Disciplinary action:** Fraud and corruption, when proven, is a breach of the Code of Conduct. The University will not tolerate fraud or corrupt conduct and has clear policies and procedures for dealing with incidences of fraud and corrupt conduct, including referrals to the CCC, and processes for responding to fraudulent or corrupt conduct by staff such as performance management or disciplinary action, prosecution, or further reporting to Queensland Police Service, Australian Federal Police or other enforcement agencies.

- **Further actions:** On the finalisation of an investigation, the COO may, in consultation with other University offices, also make recommendations for the following further actions:

ACTION	DESCRIPTION
REVIEW OF CONTROL ENVIRONMENT	A review may be undertaken of the control environment including systems and processes, and any further controls improvements necessary in order to avoid recurrence. This includes updating the relevant risk registers.
REVIEW OF ADEQUACY OF AND IMPACT TO POLICIES AND/OR PROCEDURES	Changes may be required to University Policies and/or Procedures or component documents following from the lessons learned from the investigation.
RECOVERY OF LOSSES	The University will make every attempt to recover any funds misappropriated through all means available to it.
INSURANCE	Where an incident of fraud has been first identified, the University may be able to recover some or all of the loss and associated costs of the investigation through insurance. The University's Insurance Manager should be consulted for additional information and guidance.

- **Record keeping:** All records relating to investigations should be securely stored in a central location by the relevant department that undertook the investigation and maintained in accordance with the University's record-keeping requirements. Access to and review of these files will be determined as required by the legislation and University policies.

- **Internal reporting:** The COO is responsible for:

  - reporting material fraud incidents and findings from investigations to the Vice Chancellor and the Audit and Risk Committee.

  - submitting a quarterly report of actual and attempted fraud, including mitigation and response plans to the Audit and Risk Committee.

- **External reporting:** Griffith 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 Chief Operating Officer, as the nominated 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	The Chief Operating Officer, or delegate	Suspected criminal activity against the University, as soon as practicable, but no later than 6 months after the accountable officer has become aware of the loss.
QUEENSLAND AUDITOR-GENERAL	Chief Financial Officer	Criminal offences involving material loss. To be reported as soon as practicable, but no later than six months after the accountable officer has become aware of the loss.
MINISTER FOR EDUCATION	Chief Financial Officer	Criminal offences involving material loss. To be reported as soon as practicable, but no later than six months after the accountable officer has become aware of the loss.

- **Continuous Learning:** The University will ensure that learning occurs at the organisational level as part of the response to every incident suspected, attempted, or actual. Systems to assess risks, to mitigate future occurrence, and improve capability will be reviewed and enhanced proactively during and following the investigation process. Training will also be supplemented with periodic employee surveys to gauge the effectiveness of the training and awareness programs.

4.0 Definitions

For the purposes of this policy and related policy documents, the following definitions apply:

Corruption is defined in the *Crime and Corruption Act 2001* as dishonest activity where an individual acts contrary to the interests of the University or/and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or entity. It also 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.

Fraud is dishonest activity causing actual or potential financial loss to any person or organisation including theft of property including money, intellectual property or information. It also includes falsification, concealment, or destruction of falsified documentation used or intended for use for a normal business purpose, the improper use of information or position, making false statements or representations, evasion, manipulation of information, criminal deception and abuse of property or time.

Material Loss means:

- if the property is money—a loss of more than $500; or

- otherwise—a loss valued by the by the accountable officer of the University at more than $5,000.

Staff means continuing, fixed-term and casual staff, including senior management, executive, academic, general, visiting, honorary and adjunct, conjoint appointments and volunteers participating in University business or activities.

5.0 Information

Title	Fraud and Corruption Control Procedure
Document number	2023/0001169
Purpose	This procedure outlines the key structural elements for fraud and corruption management, within Griffith University, including the actions and processes to effectively prevent, detect and respond to fraud and corruption. It supports the Fraud and Corruption Control Policy, which outlines our commitment to and principles underpinning our approach to, preventing, detecting, and properly responding to fraud and corruption and identifies the minimum mandatory requirements for all Griffith staff, managers and Council members.
Audience	Staff, Students, Public
Category	Operational
Subcategory	Risk & Integrity

UN Sustainable Development Goals (SDGs)	This document aligns with Sustainable Development Goal: 16: Peace, Justice and Strong Institutions
Approval date	8 November 2023
Effective date	8 November 2023
Review date	2026
Policy advisor	Manager, Integrity
Approving authority	General Counsel

6.0 Related Policy Documents and Supporting Documents

Legislation	Crime and Corruption Act 2001
	Commonwealth Crimes Act 1914
	Financial Accountability Act 2009
	Financial Performance and Performance Standards 2019
	Public Interest Disclosure Act 2010
	Public Sector Ethics Act 1994
	Queensland Criminal Code Act 1899
	The Australian Standard on Fraud and Corruption Control (AS8001-2008)
Policy	Code of Conduct
	Conflict of Interest Policy
	Fraud and Corruption Control Policy
	Gifts and Benefits Policy
	Personal Relationships in the Workplace Policy
	Privacy Statement
	Public Interest Disclosure Policy
	Responsible Conduct of Research Policy
	Risk and Resilience Management Policy

Student Academic Misconduct Policy

Student Misconduct Policy

Procedures	Compliance Management Framework
	Enterprise Risk Management Framework
	Legislative Compliance Procedure

Local Protocol	N/A

Forms	N/A