Fraud and Corruption Control - Governing Policy

1. Purpose of policy
The purpose of this policy is to give effect to the University’s commitment to prevent and control fraud and corruption. The University recognises that fraud and corruption management is an integral part of good governance and management practice. This policy is consistent with the University’s Staff Code of Conduct – Governing Policy and all relevant legislation and standards.

2. Policy scope and application
2.1 This policy applies to all employees including ongoing, fixed term and casual staff. This Plan also applies to Council and Committee members, volunteers, students and other external parties involved with USC business.

2.2 The policy is based on the guidelines and principles of the Financial Accountability Act 2009, Crime and Corruption Act 2001 (CC Act), the Australian Standard: AS8001-2008 Fraud and Corruption Control (the Australian Standard) and the Queensland Crime and Corruption Commission’s (CCC) Fraud and Corruption: Best Practice Guide.

3. Definitions
Please refer to the University’s Glossary of Terms for policies and procedures. Terms and definitions identified below are specific to this policy and are critical to its effectiveness:

Fraud refers to dishonest activity causing actual or potential financial loss to any person or entity including theft of monies or other property by employees or persons external to the entity 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 an entity by a person or persons internal to the entity but where deception is not used is also considered ‘fraud’.

Corruption is dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity 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’ can also involve corrupt conduct by the entity or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly.

Corrupt conduct, as defined in detail under section 15 of the Crime and Corruption Act 2001 (Qld), means either:

1. conduct that affects or could affect an official (an employee of a public sector agency) so that the performance of their functions or the exercise of their powers:
   - is not honest or impartial, or
   - knowingly or recklessly breaches public trust or impairs public confidence in public administration, or
   - involves the misuse of agency-related information or material.

Common examples of corrupt conduct include fraud and theft, extortion, unauthorised release of information, obtaining or offering a secret commission and nepotism.

2. conduct that impairs, or could impair, public confidence in public administration. This may include:
   - collusive tendering, or
   - fraud relating to an application for a licence, permit or other authority relating to public health or safety; the environment; or the State’s natural, cultural, mining or energy resources, or
   - dishonestly obtaining public funds or State assets, or
   - evading a State tax, levy or duty or fraudulently causing a loss of State revenue, or
   - fraudulently obtaining or retaining an appointment.

4. Regulatory background
4.1 The University is established under the University of the Sunshine Coast Act 1998 (Queensland legislation), it is a statutory authority, and as such falls within the jurisdiction of the Queensland Crime and Corruption Commission (CCC) as a unit of public administration. Under the Crime and Corruption Act 2001 (CC Act), any acts which could amount to Corrupt Conduct must be notified to the CCC by the Vice-Chancellor and President, as the University’s Chief Executive Officer (or public official), or their nominee, in accordance with section 38 of the CC Act.
4.2 The Financial Accountability Act 2009 requires the University to establish and maintain appropriate systems of internal control and risk management.

5. Approach to fraud and corruption

5.1 The University of the Sunshine Coast has a conservative stance on fraud and corruption. As such, it is committed to minimising the risks of such behaviour and ensuring continuing organisational integrity and transparency in all University activities.

5.2 The objectives of this policy are to ensure the University:
- develops and maintains an organisational culture of honesty and integrity;
- puts in place processes that ensure effective prevention, detection and management of fraud and corruption; and
- encourages, supports and protects persons who report suspected fraud and corruption.

6. Environments creating fraud

Increased opportunity for the perpetration of fraud occurs through the 'fraud triangle'. According to the 'fraud triangle', three factors are generally present when an act of fraud occurs:
- incentive or pressure to engage in misconduct;
- a perceived opportunity to commit fraud; and
- the ability to rationalise committing a fraudulent act.

7. Fraud and corruption control framework

The Fraud and Corruption Control Plan, Fraud and Corruption Control – Procedures and this Policy form the University's Fraud and Corruption Control Framework, which is an integral part of USC's Enterprise Risk Management Framework.

It is anticipated that the implementation of this framework will:
- protect the University's assets, interests and reputation;
- ensure a transparent and coordinated approach in dealing with suspected fraudulent and corrupt behaviour; and
- where appropriate, safeguard the reputation of individuals subject to the operation of this policy.

8. Reporting and protected disclosure

8.1 Where a staff member is aware of, or suspects, fraudulent or corrupt conduct, they are expected to report these suspicions immediately. Staff should do so in accordance with the University's Fraud and Corruption Control Procedures.

8.2 Confidentiality must be maintained throughout any investigative process.

8.3 The University will ensure protection of those reporting suspected instances of fraud and corruption and will ensure that this policy is well understood by the University community.

8.4 The University will ensure that there are adequate means for reporting suspicious or known illegal/unethical conduct, and that these means are widely known and available.

9. Monitoring and Review

Following the detection of fraud, the Organisational Unit Manager, in consultation with the Director of Governance and Risk Management, will reassess the adequacy of the internal control environment and identify actions to strengthen the controls. A dynamic approach is taken to the Fraud and Corruption Framework, with a focus on continuous improvement.

10. Authorities and Responsibilities

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<tr>
<th>RESPONSIBILITIES</th>
<th>UNIVERSITY</th>
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<tr>
<td>• Setting the University’s risk appetite in regard to its material risks; and</td>
<td>University Council</td>
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<td>• approving the Fraud and Corruption Control – Governing Policy.</td>
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<td>• Ensuring that all matters relating to (alleged) fraud or corrupt conduct are</td>
<td>Audit and Risk Management Committee</td>
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<td>dealt with appropriately;</td>
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<td>• approving the Fraud and Corruption Control Plan;</td>
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<tr>
<td>• the monitoring of compliance with legislative and regulatory requirements; and</td>
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<tr>
<td>• the monitoring of internal control and risk management for the University.</td>
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• Ensuring that risk management activities are carried out effectively within the University;
• promoting a culture that encourages strong risk management (including fraud and corruption);
• referring to, or notifying, relevant external agencies of allegations of suspected fraud or corrupt conduct in accordance with legislative requirements;
• notifying the Audit and Risk Management Committee and internal audit of allegations of suspected fraud or corrupt conduct;
• fulfilling the University’s obligations under the Crime and Corruption Act 2001;
• communicating the expectation that all employees are required to conduct their duties to high professional and ethical standards and always act in the public interest; and
• ensuring that appropriate and effective internal control systems are in place that will assist in preventing and detecting fraud and corruption.

• Providing high level advice to the Vice-Chancellor and President and senior management on procedural matters to strengthen risk management and proactively provide leadership and support of this policy and its objectives; and
• maintaining policies and procedures and records in relation to fraud and corruption control.
• Maintaining the Enterprise Risk Management Framework, including policies and procedures relating to fraud and corruption; and
• undertaking a biennial review of the Fraud and Corruption Control Plan and Governing Policy.

• Responsibility for reporting any known instances of fraud and corruption to the Vice-Chancellor and President, and other members of Executives as appropriate; and
• Nominee responsible for reporting corrupt conduct to the Crime and Corruption Commission and acting as the liaison officer to the CCC.

• Responsibility for ensuring that appropriate mechanisms are in place within their areas of control to:
• establishing controls and procedures for prevention and detection of any fraudulent or corrupt conduct;
• identifying risk exposures to fraudulent and corrupt conduct and ensuring that regular assessment of the risks is undertaken;
• promoting awareness amongst staff of this policy and of the ethical principles subscribed to by the University;
• advising the Vice-Chancellor and President of any reported allegations of fraud or corrupt conduct, enabling the Vice-Chancellor and President to fulfil the University’s obligations under the Crime and Corruption Act 2001;
• assisting staff to analyse and work through issues in fraud and corruption prevention and detection;
• ensuring prompt responses to allegations or indications of fraudulent and corrupt acts; and
• completing and sign End of Year Internal Control Certifications required as part of the preparation and completion of the University’s Annual Financial Statements.

• Responsibility for undertaking their duties in accordance with the University’s Staff Code of Conduct. Responsible to:
• immediately report any suspected fraudulent or corrupt activity of which they become aware to their supervisor, Organisational Unit Manager or, if appropriate, another member of executive staff or internal audit; and
• assist with any enquiries or investigations pertaining to fraudulent and corrupt activity where requested by an appropriately authorised officer.

• Monitoring and evaluating the effectiveness of internal controls and risk management processes in preventing and detecting fraudulent or corrupt conduct;
• advising the Audit and Risk Management Committee of any allegations of fraudulent or corrupt conduct reported to it or identified through routine or random audits.