



University of
**Southern
Queensland**

16 May 2024

Fraud and Corruption Control Plan

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1. Purpose and Scope

Fraud and corruption is a significant risk to the University that can be mitigated through the maintenance of an effective Fraud and Corruption Control Framework¹. While the University is not obligated to implement a Fraud and Corruption Control Framework, various legislation² require the University (as a statutory body) to ensure it has a governance framework (including, a risk management system and an internal control structure) to mitigate risk to the University from unacceptable costs or losses associated with its operations.

Additional legislative and regulatory requirements apply in relation to codes of conduct, research and academic integrity, the handling of complaints, Public Interest Disclosures, protection for disclosers and notification of suspected fraud or corruption to external bodies.

This plan applies to all University members, volunteers, students, and (where applicable) other external parties. The plan details the University's commitment to preventing and detecting fraud and the expectations of the wider University community.

1.1. Definition of Fraud, Corruption and Corrupt Conduct

Fraud refers to a '*... deliberate deception to facilitate or conceal the misappropriation of assets, tangible or intangible*'.³ This includes dishonest activity causing actual or potential financial loss to any person or entity including theft of monies or other property by employees or other persons, where deception is used at the time, immediately before or immediately following the activity.

Corruption involves '*... a breach of trust in the performance of official duties*'.⁴ This includes 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 to achieve some personal gain or advantage for themselves or for another person or entity.

Corrupt Conduct⁵, means either:

1. Conduct that involves the exercise of powers or functions in a way that:
 - is not honest or impartial, or
 - knowingly or recklessly breaches public trust or impairs public confidence in public administration, or
 - involves the misuse of university information or material.
2. Conduct that impairs, or could impair, public confidence in university administration, including:
 - collusive tendering;
 - fraud relating to an application for a licence, permit or other authority relating to public health or safety, the environment;
 - the State's natural, cultural, mining or energy resources;
 - dishonestly obtaining or helping someone to dishonestly obtain, public funds or State assets;
 - evading a State or Commonwealth tax, levy or duty or fraudulently causing a loss of State or Commonwealth revenue; or
 - fraudulently obtaining or retaining an appointment.

¹ Crime and Corruption Commission, '[Fraud and Corruption Control: Best Practice Guide](#)', accessed 11 December 2023.

² Section 61 *Financial Accountability Act 2009* (Qld) and sections 7, 8 and 28 of the *Financial and Performance Management Standard 2009* (Qld).

³ Crime and Corruption Commission, '[Fraud and Corruption Control: Best Practice Guide](#)', accessed 11 December 2023.

⁴ Crime and Corruption Commission, '[Fraud and Corruption Control: Best Practice Guide](#)', accessed 11 December 2023.

⁵ Defined in the *Crime and Corruption Act 2001* sections 14 to 20.

Corrupt Conduct includes fraud, theft, extortion, unauthorised release of information, obtaining or offering a secret commission and nepotism.

1.2. Approach to Fraud and Corruption

The University has a zero-tolerance approach for fraud and corruption and will notify reasonable suspicions of corrupt conduct to the Crime and Corruption Commission. The University has implemented systems to control fraud and corruption, balancing efficiency with effectiveness.

1.3. Reporting, actual, or suspected Fraud or Corruption

Anyone can report instances of alleged or suspected Fraud and Corruption to:

- Director (Integrity and Professional Conduct).
- Telephone: (07) 46 875 859
- Email: anonymous.complaint@unisq.edu.au

2. Fraud and Corruption Framework

Maintaining high standards of integrity, conduct and fiduciary responsibility is an important task of any public sector organisation. Tools that determine how the University and its staff are to behave, and that help build an integrity-based culture to resist fraud and corruption is referred to as an integrity framework.

The integrity framework is a risk management tool to protect the University from fraud and corruption. A key component of the integrity framework is the Fraud and Corruption Control Framework. The Fraud and Corruption Control Framework consists of coordinated and integrated instruments, mechanisms, arrangements, and tools that assist fraud and corruption control.

The Fraud and Corruption Control Plan, Policies and Procedures form the University's Fraud and Corruption Control Framework which aims to:

- 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.

The Fraud and Corruption Control Plan covers high-level Foundations and Strategies (Figure 1):

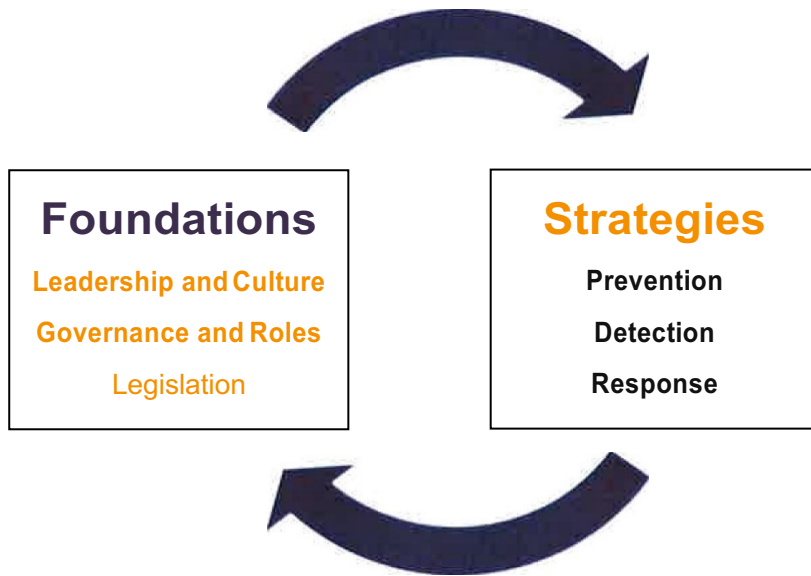


Figure 1: Fraud and Corruption Control Foundations and Strategies

2.1. Foundations

2.1.1. Leadership and Culture

The Vice-Chancellor and Vice-Chancellor's Executive commit to maintaining the Framework to ensure an impartial and complete investigation and (where necessary) relevant actions in response to alleged instances of fraud and corruption in accordance with University Council's tolerance for fraud and corruption.

Management commits to perform responsibilities for risk, fraud risk and compliance in accordance with the University's Risk Management Policy, Procedures, and underlying schedules.

2.1.2. Governance and Roles

University Members must refer to relevant Policy, Procedures, and underlying schedules for detailed responsibilities. The table below provides a high-level summary.

Committee/Staff member	Fraud and Corruption Control Responsibilities
Council	<ul style="list-style-type: none"> • Oversee the establishment and effective operation of key policies. • Ensure risk management procedures and associated internal controls are established and effectively maintained. • Require and monitor compliance with statutory and regulatory obligations. • Ensure UniSQ's assets and resources are properly managed. • Effectively manage its own operations, with due concern for proper and appropriate accountability.

Committee/Staff member	Fraud and Corruption Control Responsibilities
Audit and Risk Committee	<ul style="list-style-type: none"> Review the risk management practices of the University with regards to fraud control, advise and report to Chancellor's Committee and Council as required. Monitor and review of fraud risk practices.
Academic Board	<ul style="list-style-type: none"> Maintain oversight of academic and research integrity Review of academic and research integrity and misconduct reports.
Vice-Chancellor	<ul style="list-style-type: none"> Oversight of the Fraud and Corruption Control Plan, Policy and Procedure and effective internal structures. Policy ownership of Fraud and Corruption Control for the University.
Deputy Vice-Chancellors and Pro-Vice Chancellors	<ul style="list-style-type: none"> Support the Vice-Chancellor in building a strong control environment that strengthens the University's defences against fraud and corrupt conduct. Oversight of the internal controls within individual areas of responsibility for the prevention and detection of fraud.
Director (Integrity and Professional Conduct)	<ul style="list-style-type: none"> Act as the Fraud Control Officer and coordinate approved activities. Responsible for the notification of actual or suspected fraud and corruption. Coordinates the recovery of property lost through fraud or corruption.
All Managers and Supervisors	<ul style="list-style-type: none"> Identify individual fraud risks originating in or relevant to their portfolio. Ensure processes are in place to manage fraud risks. Foster an environment which promotes the highest standards of ethical behaviour. Ensure all fraud and corruption control awareness and training is undertaken by all relevant staff.
Credit Card Holders	<ul style="list-style-type: none"> Comply with the Credit Card Policy.
All Staff	<ul style="list-style-type: none"> Familiarise themselves with the Fraud and Corruption Control Policy and Procedure and the Fraud and Corruption Control Plan to enable risk-based decision making about fraud control compliance in day-to-day operations. Immediately report suspected incidents of possible fraud and misconduct directly to management or the Fraud Control Officer. Complete fraud and corruption control training as required. Behave ethically and in accordance with the UniSQ Code of Conduct in the performance of their duties.

Committee/Staff member	Fraud and Corruption Control Responsibilities
	<ul style="list-style-type: none"> Comply with all relevant policies, including the Delegations Policy, Financial Delegations Schedule, Acceptable Use of ICT Resources Policy, Travel Policy, and Travel Procedure, Conflict of Interest, Gifts and Benefits, Outside Employment, Assets Policy, and Procedure.

2.2. The Three Lines Model

The University utilises the Three Lines Model as part of reducing the risk of fraud and corruption. The model assists in delineating and organising responsibility for activities for fraud and corruption prevention, detection, and control verification (Figure 2).

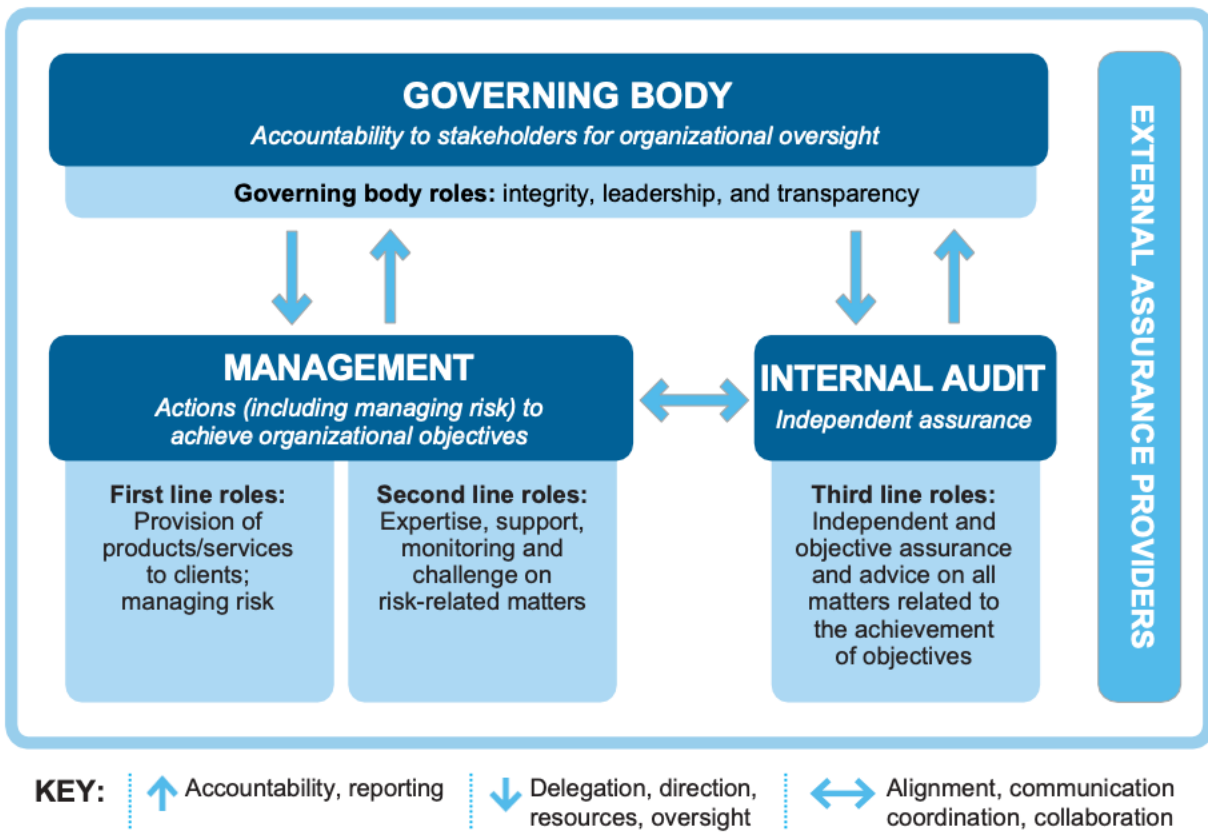


Figure 2: The Three Lines Model by the Institute of Internal Auditors (2020).

The Three Lines Model is composed of:

- First Line:** Management. The role of management is to provide services and operate the business. As part of normal business operations, the implementation of controls is required to reduce risk.
- Second Line:** Specialist advisors provide support to the business in a range of activities. Second line advisors are roles such as finance, legal, risk management, compliance, and insurance.
- Third Line:** Internal Auditors consider the potential for fraud identification as part of each audit they conduct.
- External Assurance Providers:** External Auditors consider fraud in audits of financial statements.

The Fraud Control Officer, Director (Integrity and Professional Conduct) or Assurance Services may, subject to approval of expenses, obtain professional expertise to investigate any matter to detect suspected fraud and corruption.

2.3. Strategies

Fraud Risk Management is part of Risk Management and is covered in the Risk Management Framework. At a high level this involves:

- Risk identification;
- Risk assessment;
- Control implementation;
- Review risk following control implementation;
- Escalation if outside of tolerance; and
- On-going monitoring and review.

The Risk Management Framework provides detailed coverage of the risk management process. Guidance⁶ issued by the Crime and Corruption Commission guides fraud and corruption prevention at UniSQ. The guidance encompasses a range of specific controls and generic controls. Generally, controls are broken into two categories, being preventative and detective.

2.3.1. Prevention

Preventive controls are designed to prevent fraud and corruption from occurring initially. UniSQ utilises several preventative controls, such as:

Training and Awareness

Mandatory compliance training is completed by all employees on an annual basis. Managers receive regular reports identifying employees whose compliance training is overdue. Monthly reports are reviewed by management to monitor overall compliance training completion levels. The Vice-Chancellor's Executive commits to regular communication promoting compliance with the Fraud and Corruption Control Plan and Code of Conduct and related documents listed in [Appendix A](#). Additional training may be provided to specific staff and functions, to leverage best practice by specialist industry bodies to detect and prevent fraud (this could include however is not limited to examples such as Academic Integrity and Visa processing).

Code of Conduct

UniSQ's Code of Conduct defines the standards of conduct required by all University Members. The Code is supported by additional Policies and Procedures, including disciplinary action for breaches.

Disciplinary Procedures

The UniSQ Enterprise Agreement and Code of Conduct, contains the rules for disciplinary action for University Members.

Taking of Leave

University members are encouraged to take leave and not accrue excessive leave. When Senior Leadership take leave or are absent, another Executive or Senior Manager acts in their position.

⁶ Crime and Corruption Commission, '[Fraud and Corruption Control: Best Practice Guide](#)', accessed 11 December 2023.

Internal Controls

Divisional Executives will develop an effective internal control culture through example setting, regular communications and enforcing internal control compliance and comply with the Internal Controls Procedure.⁷

To eradicate control weakness, control reviews including policies and procedures will follow the discovery of fraud or corruption incidents. Control weaknesses may be identified independently as part of Internal Audits and Process Improvement activities. Where this occurs, the weakness is brought to the attention of management to initiate corrective action.

Insurance

Annually the University Council approves the acquisition of Crime Insurance.

Risk Assessments

Risk Management, Compliance, and Insurance Services facilitate fraud risk assessments through the provision of tools, systems and advice and monitor the Fraud and Corruption prevention environment and risk profiles. The Audit and Risk Committee receives bi-monthly reports to ensure that all timetabled strategies are implemented in the time and manner prescribed.

To ensure effective and accurate risk assessments, Divisional Executives review their internal controls on a regular basis. Risk Management, Compliance, and Insurance Services determines the frequency of out of cycle reviews and consult with relevant Divisional Executives to ensure timely implementation of proposed recommendations.

2.3.2. Detection

Detective controls are designed to detect fraud and corruption that may have occurred to enable investigation and address control deficiencies. Noting that some of the detection processes are based on examining patterns in data to determine potential fraud, it is imperative that staff do not attempt to bypass processes, standard operating procedures or implement work arounds for issues as this may be flagged as an indicator of possible fraud behaviour resulting in scrutiny. If changes to processes need to be initiated, then these should be escalated through the line management system. Fraud and corruption detection at the University encompasses:

Continuous Controls Monitoring

Automated data analysis detects errors and potential fraud, corruption, and other improper behaviours. The process uncovers patterns and relationships in datasets that may appear unrelated. It highlights fraud and corruption activity as well as irregular behaviour and explains what lies behind previously identified discrepancies.

Management accounting reporting review

This control investigates trends indicative of potential fraudulent conduct. For example, analysing excessive leave balances and patterns within departments. Credit card analytics is also performed to determine suspicious patterns of expenditure (such as weekend transactions).

Post transaction reviews

Post processing reviews of transactions identifies fraudulent activities like altered or missing documentation, falsified or altered authorisation or inadequate documentary support.

⁷ Currently being drafted.

Identifying responsibility

University Members must be aware of their responsibilities and are required to remain vigilant to identify and report any suspected fraudulent or corrupt activity in accordance with the Code of Conduct and related documents listed in [Appendix A](#).

2.3.3. Response

University members suspecting fraud must report the matter in accordance with approved procedures and this Plan. Employees must maintain strict confidentiality on any suspected fraud or corruption matter of which they have knowledge.

Report to Director (Integrity and Professional Conduct)

In the first instance, University members are to report their concerns to the Director (Integrity and Professional Conduct) per 1.3 of the Fraud and Corruption Control Plan (above).

Public disclosures protection

Public Interest disclosure is available to University members in accordance with the UniSQ [Public Interest Disclosure Policy](#).

External reporting

A range of external entities exist with different roles including:

- Known or suspected acts of fraud and corruption must be notified to the Crime and Corruption Commission and (where appropriate) to the Queensland Police Service.
- Annually inform external agencies, such as the Queensland Audit Office, of the University's Fraud and Corruption Control initiatives. Reports to the Queensland Audit Office include:
 - a. Identified fraud and corruption risks; and
 - b. Action taken by the University's Executive Management in response to fraud or corruption incidents, such as:
 - i) events;
 - ii) losses;
 - iii) offenders and University responses; and
 - iv) corrective actions.

Recovery

The Director (Integrity and Professional Conduct) coordinates the recovery of property lost through fraud or corruption.

Appointment of Fraud Control Officer and other dedicated fraud control resources

The Director (Integrity and Professional Conduct) is the Fraud Control Officer and may nominate any internal or external resource to act as the Fraud Control Officer.

External assistance to the Fraud Control Officer

The Director (Integrity and Professional Conduct) as the Fraud Control Officer has authority to appoint external agents to assist in or lead fraud and corruption investigations. The person with delegated Fraud Control Officer duties may solicit assistance from the Queensland Police Service or specialist independent external fraud or forensic investigators.

3. Fraud Registers

An annual Fraud and Corruption Control Plan review occurs in January covering a comprehensive review of the Fraud Risk Registers.

Incidents of identified or suspected fraud and corruption must be recorded in the Fraud Registers. Seven Fraud Registers are maintained. These are reviewed by the Director (Integrity and Professional Conduct) with summarised reports provided to the Audit and Risk Committee, on a regular basis.

Fraud Register	Responsibility
<p>Student Services</p> <ul style="list-style-type: none"> Fraudulent documentation, corrupt admission/participation/withdrawal/award, corrupt fee action, corrupt agent relationships. 	<p>Provost Pro Vice-Chancellor (International)</p>
<p>Teaching and Learning</p> <ul style="list-style-type: none"> Plagiarism, cheating, corrupt marking/appeal action, corrupt partnerships/contracts. 	<p>Provost Deputy Vice-Chancellor (Academic Affairs)</p>
<p>Research</p> <ul style="list-style-type: none"> Fabrications/falsification, corrupt ethics, misappropriated funds, fraudulent pricing, theft of resources, corrupt collaborations. 	<p>Deputy Vice-Chancellor (Research and Innovation)</p>
<p>People and Remuneration</p> <ul style="list-style-type: none"> Corrupt recruitment, promotion, fraudulent documentation, corrupt bias, misappropriated resources, false claims, conflicts of interest. Ghost/duplicate/increased payments, falsified leave, theft of data. 	<p>Chief People Officer</p>
<p>Finance, Assets and Procurement</p> <ul style="list-style-type: none"> Altered/falsified records, theft of financial assets, money laundering, unauthorised travel, fraudulent reporting, corrupt contracts. Misappropriated use/disposal or damage to physical and non-physical assets. Falsification, manipulation of accounting treatments, over/understatement of valuations, improper disclosures. Tender avoidance/rigging, corrupt purchasing/theft of goods, falsified records, corrupt partnerships/contracts. 	<p>Chief Financial Officer</p>
<p>Information Management and Security</p>	<p>Chief Information Officer</p>

Fraud Register	Responsibility
<ul style="list-style-type: none"> Corrupt access/release/theft of restricted information, fraudulent misrepresentation, manipulation of records, malware attacks/damage. 	
<p>Organisational</p> <ul style="list-style-type: none"> Nepotism, unprofessional conduct, bribery, maladministration, anti-money laundering, public records, sponsorship, and scholarship management. 	<p>Director (Integrity and Professional Conduct)</p>

Appendix A

Code of Conduct Supporting Policies and Procedures

UniSQ's Code of Conduct defines the standards of conduct required by all University Members and is supported by:

- Enterprise Agreement;
- Fraud and Corruption Management Policy and Procedure;
- Enterprise Risk Management Policy and Procedure;
- Public Interest Disclosure Policy;
- Corrupt Conduct Reporting Policy;
- Corrupt Conduct Resolution Procedure;
- Conflict of Interests Policy;
- Gifts and Benefits Procedure;
- Outside Employment Undertaken by University Employees Procedure;
- Recruitment, Selection and Appointment Policy;
- Complaints related policy and procedures for example:
 - Employee Complaints and Grievances Policy;
 - Complaints Involving Council Members Procedure.

Other items include:

- Academic Misconduct Penalty Schedule;
- Acceptable Use of ICT Resources Policy;
- Appointments: Probationary Procedure;
- Conflict of Interest Policy;
- Corruption Complaints against the Vice-Chancellor Policy;
- Council Conflict of Interest Policy and Procedure;
- Delegations Policy;
- Disciplinary Action for Misconduct or Serious Misconduct Procedure;
- Performance, Development and Recognition Policy;
- Financial Delegations Schedule;
- Internal Controls Procedure (in development);
- Student Grievance Resolution Policy;
- Termination and Separation of Employment Policy;
- Termination of Employment Procedure.



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