

**Category:** [Employment](#)

**Version:** 1

**Document Type:** Policy

**Document Status:** Published

**Approved On:** 30 March, 2021

**Audience:** Staff, Students, Research, Academic, Affiliate

**Effective Date:** 30 March, 2021

**Review due by:** 30 March, 2024

**Policy Approver:** Council

**Policy Steward:** Chief Financial Officer

# Fraud and Corruption Management Policy (MPF1351)

## 1. Objectives

The objectives of this policy are to:

- (a) uphold the values of the University to act in good faith, with trust, ethically, and in the best interests of the University and to promote a culture of honesty, integrity and professionalism;
- (b) provide guidance as to behaviour that constitutes fraud and corruption to assist those working for or on behalf of the University to recognise and deal appropriately with this conduct;
- (c) outline the responsibilities of staff, including the behaviour expected in relation to any suspicion or detection of fraud or corrupt conduct; and
- (d) provide guidance as to the appropriate avenues to report current or past instances of fraud or corrupt conduct.

## 2. Scope

2.1 This policy applies to:

- (a) officers, employees and students of the University and of its controlled entities;
- (b) all teaching, learning, research, advancement, engagement, enabling and support activities of the University; and
- (c) individuals or organisations who are contractually obliged to comply.

2.2 All other individuals engaged in activities reasonably connected with the University are expected to conduct themselves in a manner consistent with this policy.

Typically, such individuals include (but are not limited to):

- (a) contractors;
- (b) consultants;
- (c) honorary, visiting or adjunct appointees;
- (d) volunteers; and
- (e) visitors.

2.3 Except where there may be systemic or significant fraud which must be dealt with under this policy, this policy does not apply to alleged student, academic or research misconduct, which are considered under the Student Conduct Policy ( [MPF1324](#) ), Student Academic Integrity Policy ( [MPF1310](#) ) and the Research Integrity and Misconduct Policy ( [MPF1318](#) ).

### 3. Authority

This policy is made under the [University of Melbourne Act 2009 \(Vic\)](#) and the [Vice-Chancellor Regulation](#) and supports compliance with the:

- (a) *Crimes Act 1958* (Vic);
- (b) *Fair Work Act 2009* (Cth);
- (c) *Financial Management Act 1994* (Vic);
- (d) *Independent Board-based Anti-corruption Commission Act 2011* (Vic);
- (e) *Public Interest Disclosure Act 2012* (Vic);
- (f) University legislation; and
- (g) applicable legislative and regulatory standards and codes to which the University is subject.

### 4. Policy

4.1 The University is committed to preventing fraud and corruption, including bribery, within the University and its controlled entities.

4.2 In accordance with the Risk Management Policy ( [MPF1194](#) ), the University must put in place controls proportionate to the risks it faces and ensure that staff, students and associates of the University and its controlled entities are aware of and understand the relevant policies and procedures for the prevention, detection, reporting and elimination of fraud and corruption.

4.3 The University considers fraud and corruption a serious matter and in this regard:

- (a) maintains a 'zero tolerance' attitude towards fraud and corruption and requires that any case of suspected fraud is reported immediately and dealt with appropriately;
- (b) creates and maintains an ethical culture in the workplace which supports vigilance, diligence, and reporting of fraud-related concerns;
- (c) provides mechanisms for detecting and reporting allegations of internal and external fraud and corruption; and
- (d) adopts a risk management approach to determine appropriate fraud and corruption identification and control strategies.

### Standards and expectations

4.4 All University officers, employees and students must:

- (a) understand this policy and undertake relevant compulsory training to aid comprehension and compliance with this policy;
- (b) comply with all relevant Commonwealth and state legislation, regulations, codes and agreements derived from legislation; and

(c) comply with University legislation, policies, terms and conditions of employment and lawful instructions in the performance of their work.

4.5 In the performance of their duties, all University officers, employees and students must:

- (a) act honestly and exercise skill, care and diligence in the performance of their duties;
- (b) not intentionally cause unacceptable risk to the reputation or financial viability of the University;
- (c) observe the highest standards of integrity in financial matters in accordance with relevant financial management legislation and the University's Financial Code of Conduct Policy ([MPF1338](#)) and supporting processes; and
- (d) disclose to their line manager or supervisor, document and if unavoidable manage appropriately all actual, potential or perceived conflict of interest

4.6 All University employees and students who become aware of suspected fraud or corruption must report under this policy such the suspicion at the earliest possible opportunity and ensure that evidence that may be valuable for an investigation is not compromised.

## 5. Procedural principles

### Reporting

5.1 University officers, employees or students who becomes aware of suspected fraud or corruption should report such suspicion to one of the following:

- (a) Supervisor, line manager, or director;
- (b) Any Senior Executive of the University
- (c) Director of Risk and Assurance, Legal and Risk

5.2 Any reports of suspected fraud or corruption that are made to the University (whether to a supervisor, manager, director or executive) must be referred to the Director of Risk and Assurance, Legal and Risk.

5.3 Alternatively, any individual may wish to make a report under the University's Whistleblowers Protection Policy ([MPF1346](#)) in order to be eligible for legal protection under that policy.

5.4 The University will take necessary action to protect the confidentiality of the identity of an individual who makes a report under this policy, subject to applicable legal requirements. However, the disclosure of the subject matter of a report is permitted where it is reasonably necessary for the purpose of investigation.

5.5 The University will protect an individual who makes a report under this policy from detrimental action, victimisation or reprisal action and will provide appropriate welfare support.

5.6 Irrespective of the manner of notification, all reports will be managed in accordance with relevant Commonwealth, State and University legislation.

5.7 The University does not tolerate vexatious and frivolous reports and may initiate disciplinary proceedings where reports of this nature are found.

5.8 Where the University is made aware of an actual or suspected significant or systemic fraud, the University will notify, as soon as is practicable, the Responsible Minister, and the Victorian Auditor-General in accordance with the applicable ministerial direction and the University's Audit and Risk Committee of the incident.

5.9 The University may have an obligation to report an incident to another external body where there is obligation under an agreement or other legislative instrument.

## Investigation

5.10 The University will undertake a preliminary assessment to determine whether there are matters of substance requiring further investigation or if the matter must be handled under the University's Whistleblower Protection Policy ([MPF1346](#)).

5.11 Investigations into reports of fraud or corruption will be undertaken in accordance with relevant legislation, the University's Enterprise Agreement, and University policies and processes.

5.12 All suspected incidents of fraud and corruption will be recorded in University records to identify any trends and measures to mitigate risks of recurrence.

## Disciplinary Action

5.13 All discipline or misconduct investigations relating to an internal staff member will be conducted in accordance with relevant legislation, the University's Enterprise Agreement and University policies.

5.14 If during the course of a disciplinary investigation it is determined that criminal offences may have been committed, a report is to be made to Victoria Police. To ensure that a criminal investigation is not compromised, clearance may need to be sought from Victoria Police for the University to: commence a disciplinary investigation; notify the employee of misconduct allegations; interview witnesses to inform a disciplinary investigation; and release information to the employee or their representative for procedural fairness purposes.

## 6. Roles and Responsibilities

<b><i>Role/Decision/Action</i></b>	<b><i>Responsibility</i></b>	<b><i>Conditions and limitations</i></b>
Oversight and monitoring of the assessment and management of risk across the University, including the University's commercial activities	Council supported by the Audit and Risk Committee	In accordance with the Audit and Risk Committee terms of reference.
Ensure there is an integrated approach to fraud control and maintain a fraud risk profile	The Vice-President (Administration & Finance) and Chief Operating Officer	
Ensure that fraud and corrupt conduct risks are identified, assessed, mitigated and reviewed in accordance with the University's Risk Management Framework	Heads of divisions	
Ensure relevant compulsory training is completed by staff	Direct line manager/supervisor	In accordance with this policy
Compliance with this policy	Officers, employees and students of the University and of its controlled entities	In accordance with this policy
Report suspected matters of fraud or corruption	Officers, employees and students of the University and of its controlled entities	In accordance with this policy

Report matters of fraud or corrupt conduct to the Victorian Minister of Education and Auditor-General of Victoria	Chief Financial Officer on behalf of the Vice-Chancellor	In accordance with the <i>Financial Management Act 1994</i> (Vic) and Standing Directions issued by the Minister for Finance.
Ensure that University officers, employees, and students are provided with information and training making them aware of their responsibilities.	Director, Risk and Assurance (Legal and Risk)	
Assist management to identify fraud and corruption risks		
Report to the Audit and Risk Committee on how fraud and corrupt conduct risks are being managed throughout the University		
Plan and conduct reviews as per the Annual Audit Plan which incorporates: <ul style="list-style-type: none"> <li>an evaluation and a re-evaluation of internal controls used to detect or mitigate fraud; and corruption</li> <li>fraud and corruption investigations; and</li> <li>use of data analytics</li> </ul>		

## 7. Definitions

**Bribery (including foreign bribery)** means offering, giving, receiving or soliciting any item of value with the intention of gaining a benefit when that benefit is not legitimately due or with the intention to influence, gain or retain business or business advantage.

**Conflict of interest** means a circumstance where there is a perceived, potential or actual opportunity for an employee or student to prefer their own interests, or those of any other person or organisation, to the interests of the University. These are often, but not exclusively, interests of the University versus private interests. Conflicts of interest can involve financial or nonfinancial interests of the staff member and the interests of a business partner or associate, family member, friend or person in a close personal relationship with the staff member.

**Controlled entity** means an entity over which the University has control in accordance with the meaning of 'control' in section 50AA of the *Corporations Act 2001* (Cth).

The University treats an entity as a controlled entity if the University:

- (a) directly or indirectly owns the majority of the shares in a company;
- (b) is the sole member of a company limited by guarantee;
- (c) controls more than 50% of shareholder or member voting rights in the entity, including by use of a casting vote;
- (d) controls more than 50% of votes of the entity's board, including by use of a casting vote;

- (e) has power to appoint or remove more than 50% of the entity's board;
- (f) has power to govern the financial and operating policies of the entity; or
- (g) has power to cast or control the casting of a majority of the votes likely to be cast at a general meeting of the entity.

**Corruption** means dishonest activity or inactivity in which an individual engages in activities contrary to the interest of the University to achieve some gain or advantage; or to avoid loss or disadvantage, for the individual or another person or entity. Corruption can include, but is not limited to, an individual carrying out their duties dishonestly, unfairly or misusing University and/or public resources or information for an improper purpose, advancing University's interests via unethical means including and is not limited to bribery, abuse of trust and threats.

**Detrimental action** means action taken against an individual in reprisal for making a report or disclosure. Detrimental action can include:

- (a) dismissal of an employee;
- (b) injury of an employee in his or her employment;
- (c) alteration of an employee's position or duties to his or her disadvantage;
- (d) discrimination between an employee and other employees of the same employer;
- (e) harassment or intimidation of a person;
- (f) harm or injury to a person, including psychological harm;
- (g) damage to a person's property;
- (h) damage to a person's reputation;
- (i) damage to a person's business or financial position; or
- (j) any other damage to a person.

**Fraud** means dishonest activity causing actual or potential financial loss to any individual or entity including theft of moneys or other property by employees or individuals 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 non-business purpose or the improper use of information or position for financial benefit.

**Significant or Systemic Fraud** means an incident of fraud, or a pattern or recurrence of such incidences, that a reasonable person would consider has a significant impact on the University's reputation, financial position or financial management. Guidance to the Standing Directions 2018 under the *Financial Management Act 1994* states: value threshold, above which an actual or suspected fraud, corruption or other loss is considered 'Significant' must not exceed \$5 000 in money or \$50,000 in other property.

**Victimisation or reprisal action** means when a person is treated, or threatened to be treated, in a detrimental manner as a result of seeking assistance, making or threatening to make a complaint or raising a concern, or considering whether to raise a concern or complaint, about a matter under this policy.

## POLICY APPROVER

Council

## POLICY STEWARD

Chief Financial Officer

## REVIEW

This policy is to be reviewed by 30 March 2024.

## VERSION HISTORY

Version	Approved By	Approval Date	Effective Date	Sections Modified
1	Council	30 March 2021	30 March 2021	New policy.