Fraud and Corruption Framework

Section 1 - Introduction

(1) The University of Newcastle (University) has a zero tolerance for fraud and corruption, including bribery and other unlawful payments that seek to improperly influence any individual or entity in the performance of their role or function. This is supported by the values and principles of the Ethical Framework.

(2) Fraud and corruption present risks to the University and, if not detected or prevented, can impact on the University in terms of financial loss, reputational damage, diversion of management energy, reduction in organisational morale, operational disruption, loss of employment, reduced performance, and diminished safety.

(3) The University deals with risk on a daily basis and manages enterprise risk by a targeted and strategic process as outlined in the Risk Management Framework. This approach is applied to manage the risk of fraud and corruption within the University's business operations.

(4) The University Council and the Executive Leadership Team are committed to an ethical culture that is driven by the University's values, and supported by strong governance practices that promote resistance to fradulent and corrupt conduct. These governance practices are embodied in the decisions, actions and behaviours of leaders. University leaders, including members of the University Council and the Executive Leadership Team are resonsible for setting the ‘tone at the top’ by acting with integrity in all aspects of their interactions and decisions.

Section 2 - Purpose

(5) This Framework addresses fraud and corruption against and by the University. Fraudulent and corrupt conduct against the University is where the University is the victim or intended victim and will suffer, in most cases, a relatively minor impact to its reputation (depending on the quantum) should a fraud or corrupt incident occur, in addition to any economic loss suffered. Fraud and corruption by the University is where the University will usually be a beneficiary of fraud or corruption until the conduct is discovered and exposed, in which case the reputational damage is likely to be substantial.

(6) This Fraud and Corruption Framework supports the:

a. prevention of internally and externally instigated fraud and corruption against the University;
b. detection and disruption of fraud and corruption against the University if preventative strategies fail;
c. suppression of fraud and corruption by the University against other entities; and
d. recovery of property misappropriated, or obtaining secure compensation equivalent to any loss suffered, as a result of fraudulent or corrupt conduct.

(7) This Framework additionally outlines the University's Fraud and Corruption Control System (FCCS) which includes:

a. planning and resources;
b. fraud and corruption prevention;
c. fraud and corruption detection;

d. reporting of fraud and corruption;
e. responding to actual or suspected fraud and corruption incidents;
f. monitoring of review of fraud and corruption controls.

Section 3 - Audience and Scope

(8) This Framework applies to all University staff (including academic appointees), students, Council members, contractors, consultants and agency staff, volunteers and controlled entities of the University.

(9) Fraud and corruption prevention, detection and reporting are the responsibility of all University staff.

(10) In addition, and separate to the obligations set out under this Framework, University staff members, Council members, and consultants or contractors providing services to the University are considered "public officials" under the Independent Commission Against Corruption Act (1988). Fraud or corruption that involves or affects public officials is within the NSW Independent Commission Against Corruption's (ICAC) jurisdiction and subject to investigation by the NSW ICAC.

Section 4 - Definitions

(11) In the context of this document:

Defined Term	Meaning
Control or Internal Control	An existing process, policy, device, practice, or other action that acts to minimise negative risks or enhance positive opportunities.
Corruption	A dishonest activity in which a University staff member, student, Council member, consultant, contractor, honorary, agency staff member, or volunteer of the University or other entity acts contrary to the interests of the University or the entity and abuses their position of trust to achieve some personal gain or advantage for themselves 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 to secure some form of improper advantage for the entity either directly or indirectly.
Entity	A corporation, government agency, not-for-profit organisation or other entity engaged in business activity or transacting with other entities in a business-like setting.
Fraud or Fraudulent	An activity where deception is used to cause gain or loss (actual or potential) to a person or organisation. Fraud against the University can include theft of University property by people within the University and the deliberate falsification, concealment, destruction or improper use of University documentation or systems for personal benefit. The concept of fraud within this Framework can involve conduct by internal or external entities targeting the University, or by the University targeting external entities.
Fraud and Corruption Risk Assessment	The application of risk management principles and techniques in the assessment of the risk of fraud and corruption within the University and its controlled entities.
Investigation	A search for evidence connecting or tending to connect a person (either a natural person or a body corporate) with conduct that infringes the criminal law, or the policies and standards set by the affected entity.
Serious (in the context of a risk or event)	Likely to have more than an immaterial impact on the University, if it occurred, with the potential to threaten the University's economic viability in the short, medium, or long term or to have a noticeable impact on the University's reputation.

Section 5 - Planning and Resources

(12) The General Counsel and Chief Governance Officer has responsibility for management of this Framework. Legal and Governance Services will coordinate implementation of, and communication in relation to, this Framework.

(13) Risks of fraud and corruption should be taken into account in planning and conducting all University activities.

(14) Managers and Supervisors play an important role in educating staff about the requirements of this Framework and raising awareness of fraud and corruption risks through onboarding and induction activities, staff development, team meetings and the work planning process.

Resources

(15) The General Counsel and Chief Governance Officer may engage legal, finance or other advisers, consultants or experts as considered necessary from time to time to fulfil the duties of the role. The General Counsel and Chief Governance Officer may also engage internal resources, as appropriate.

Internal Audit Activity in Fraud and Corruption Control

(16) Internal Audit performs a vital role in assisting to identify indicators of fraud and corruption. The functions and responsibilities of Internal Audit are documented in the Internal Audit Charter.

Section 6 - Fraud and Corruption Prevention

(17) The University's senior staff are accountable for managing the prevention of fraud and corruption wihtin their business unit and for ensuring compliance with University legislation, rules, policies and procedures.

(18) The review of rules, policies and procedures, and subsequent approval by delegates must be undertaken in consideration of risk of fraud and corruption, where applicable.

(19) The University's internal control structure in relation to corruption and fraud control includes:

a. leadership and governance from the Council, the Risk Committee, the Vice-Chancellor and senior staff;
b. policies and procedures in key areas of governance, finance, human resources, facilities, information technology, teacing and learning, and research;
c. dedicated resources with accountabilities / responsibilities for the control of fraud and corruption within the organisational structure including the Risk Committee, Executive Leadership Team, Legal and Governance Services, Research Ethics and Integrity Unit, Research Peer Reviewers, Human Research Ethics Committee, and Animal Ethics Committee;
d. Codes of Conduct (see Student Code of Conduct and Staff Code of Conduct) that encourage the reporting of corrupt conduct, maladministration and fraudulent activities;
e. an awareness program provided to staff via induction and regular compliance training;
f. investigation procedures to deal with suspected fraudulent or corrupt activity, as outlined in this Framework;
g. Legal and Governance Services who provide advice on fraud and corruption prevention and management;
h. Internal Audit who conducts internal audits that determine the effectiveness of governance, risk management and fraud control processes;
i. an expectation for high risk areas to test and assess the operating effectiveness of internal controls (pressure testing) to identify and rectify vulnerabilities; and
j. external audits conducted by the Audit Office NSW.

Fraud and Corruption Risk Assessments

(20) Periodic and comprehensive fraud and corruption risk assessments are conducted throughout the University in accordance with the University's Risk Management Framework.

Communication and Awareness of Fraud and Corruption

(21) The University will implement and maintain a range of awareness strategies, including but not limited to:

a. staff induction and training programs;
b. promotion of the University's Disclosure of Interest Policy;
c. promotion of key internal controls used to manage the risk of fraudulent activities;
d. seminars and presentations on relevant topics; and
e. awareness initiatives associated with the implementation of relevant policies, such as the Student Code of Conduct and Staff Code of Conduct.

Employment Screening

(22) Successful candidates for employment at the University undergo checks in accordance with the University's recruitment procedures.

Supplier Vetting

(23) The University's Procurement Policy establishes the requirements for procurement activities.

Section 7 - Fraud and Corruption Detection

Fraud and Corruption Detection Program

(24) Early detection of fraud is a core element of fraud control, particularly in areas of identified high risk. The University recognises that regardless of how comprehensive a prevention regime is, it is not fool proof against fraud. A fraud detection regime is an essential component of a rigorous anti-fraud program as both a deterrent and a fraud identification mechanism. The University's fraud and corruption detection regime includes:

a. Internal Audit – fraud risk assessments are used to inform the development of the University's annual internal audit work plan. Specific fraud-focused internal audits are directed at areas where significant vulnerabilities are identified;
b. External Audit – University management and the Risk Committee discuss with the Audit Office NSW (AONSW) the audit procedures for the University's annual financial audit. The University supports the AONSW to assist in fraud detection and response;
c. continuous monitoring program / data analytics – the University's information systems are an important source of information on fraudulent and corrupt conduct. With the use of software applications and computer assisted audit techniques, a series of suspect transactions can be identified and investigated. Investigations are conducted by personnel external to the business unit in which the transactions occur; and
d. internal and external reporting channels and Public Interest Disclosures – there are various ways in which a person may report suspected or actual fraud at the University. Staff may make a report to their supervisor, senior line manager, or the General Counsel and Chief Governance Officer.

External Auditor’s Role in the Detection of Fraud

(25) The external audit process provides assurance to NSW Parliament on the stewardship of the University. The

AONSW, as NSW Parliament's external auditor, discharges the responsibility of external audit principally through the certification of the University's financial statements. The Risk Committee hold annual discussin with the AONSW in relation to the likelihood of fraud, error arising from fraudulent reporting, or misappropriation of assets.

Public Interest Disclosure (Whistle-blower) Program

(26) The University's corporate values, including honesty and accountability, are set out in the Student Code of Conduct and Staff Code of Conduct and these underpin the prevention of fraud and corruption. University staff are considered public officials; this means if staff suspect or become aware of any fraud or corruption in relation to any aspect of the University's operations, this is a matter of public interest and therefore, staff have a responsiblity to report it. Reporting fraudulent or corrupt practice is also known as 'whistleblowing' or making a public interest disclosure (PID).

(27) The University Public Interest Disclosure Policy outlines how to make a PID. The Public Interest Disclosures Act 2022 provides formal legal protection against any reprisals for disclosures reported.

Section 8 - Reporting of Actual or Suspected Fraud and Corruption

Reporting of Actual or Suspected Fraud and Corruption Incidents

(28) If a University staff member suspects another member of staff or entity of acting corruptly or engaging in fraudulent conduct, then it is the responsibility of that staff member to report the actual or suspected conduct. Reports should generally be made to the reporting staff member's immediate manager or another manager in their area.

(29) Staff who are reporting actual or suspected fraudulent or corrupt conduct are encouraged to provide a written summary of the matter.

(30) Managers and Public Interest Disclosure Officers who have received a report of actual or suspected fraudulent or corrupt conduct are to report the matter to the General Counsel and Chief Governance Officer in a timely manner.

(31) Staff may have legitimate concerns about reporting to an immediate manager or another manager. In these cases, reportrs may be made to the General Counsel and Chief Governance Officer (who is also the designated Public Interest Disclosures Coordinator). Alternatively, reports can be made directly to:

a. a designated Disclosure Officer (see Public Interest Disclosures Policy);
b. the Vice-Chancellor;
c. the NSW ICAC;
d. the NSW Police;
e. the NSW Ombudsman;
f. the AONSW; or
g. the National Anti-Corruption Commission (NACC).

(32) Contact details for external agencies are below:

Agency	Contact Details
NSW Independent Commission Against Corruption (ICAC)	GPO Box 500 Sydney NSW 2001 Telephone: 02 8281 5999 Facsimile: 02 9264 5364 Email: icac@icac.nsw.gov.au Online Complaint Form
NSW Police	Telephone: 131 444 NSW Police Force Community Portal
NSW Ombudsman	Level 24 580 George Street Sydney NSW 2000 Telephone: 1800 451 524 Telephone: (02) 9286 1000 Facsimile: (02) 9283 2911 Email: nswombo@ombo.nsw.gov.au Make a complaint online
Audit Office of NSW (AONSW)	Disclosures Coordinator, The Audit Office of NSW GPO Box 12 Sydney NSW 2001 Telephone: (02) 9275 7100 Email: governance@audit.nsw.gov.au External report form (for disclosure of serious and substantial waste of public money)
National Anti-Corruption Commission (NACC)	GPO Box 605 Canberra ACT 2601 Telephone: 1300 489 844 Online report

Section 9 - Responding to Fraud and Corruption

Investigation of Actual or Suspected Fraud and Corruption Incidents

(33) Upon being informed of an actual or suspected incident:

a. the General Counsel and Chief Governance Officer may:
    i. undertake a preliminary fact-finding enquiry to ascertain whether a complaint or suspected fraud has any merits to be referred to a full investigation. The General Counsel and Chief Governance Officer has complete discretion as to this process and who undertakes the fact-finding investigation.
    ii. consult with the Vice-Chancellor; or in the case of conduct concerning the Vice-Chancellor, with the Chair of the Risk Committee and/or the Chancellor.
b. if a complaint or suspected fraudulent or corrupt activity is progressed to a formal investigation the following requirements for investigations must be met:
    i. investigator(s) or an investigation team will be formed by the General Counsel and Chief Governance

Officer;

ii. investigator(s) must be appropriate skilled and experienced, and be independent of the business unit in which the actual or suspected incident or fraud or corruption has occurred;

c. Investigators may include (but are not limited to):
   i. Senior Compliance Manager and appropriately skilled Legal and Governance Services staff;
   ii. the Chief Financial Officer if the matter involves fraud;
   iii. the Senior Deputy Vice-Chancellor (Academic & Global) if the matter involves students; or
   iv. the Deputy Vice-Chancellor (Research and Innovation) where the matter involves research or research conduct.
d. the General Counsel and Chief Governance Officer may determine if it is necessary to engage external investigation resources;
e. persons subject to an investigation must be afforded procedural fairness;
f. investigative proceedings must be conducted transparently;
g. the principles of independence and objectivity must be upheld by all investigators;
h. investigations must comply with all relevant legislation;
i. adequate records of the investigative process must be made and stored in accordance with the University's Privacy Management Plan and Records Governance Policy;
j. confidentiality of all information obtained and produced during the investigative process must be maintained, and the release of information must occur only at the directive of the General Counsel and Chief Governance Officer;
k. an investigation must result in the production of an Investigation Report;
l. all investigations involving an allegation of misconduct against a staff member will also consider any procedural requirements under the relevant Enterprise Agreement or related policy.

(34) The General Counsel and Chief Governance Officer must:

a. report substantiated cases of fraud or corruption to the Vice-Chancellor;
b. provide an annual report to the Vice-Chancellor summarising all incidents; and
c. maintain a database containing all reports of fraud and corruption, actions taken, and outcomes.

(35) The Vice-Chancellor must report to the Risk Committee regularly, and as appropriate, in respect of any material incidents.

Disciplinary Procedures

(36) Where a report of actual or suspected fraud or corrupt conduct is found to be substantiated against a staff member, disciplinary procedures may be implemented in accordance with the relevant Enterprise Agreement, the staff member's employment contract, University policies, or procedures.

(37) The implementation of disciplinary procedures may be informed by the findings of the investigation.

External Reporting

(38) The General Counsel and Chief Governance Officer is responsible for determining if an actual or suspected incident of fraud or corruption is required to be reported to an appropriate external body, such as the NSW ICAC, NSW Police, NSW Ombudsman or the Audit Office of NSW.

(39) Reporting to an external body must take place as soon as there are reasonable grounds to suspect fraud or corruption has occurred or is about to occur.

(40) Under Section 11 (2) of the Independent Commission Against Corruption Act 1988, the Vice-Chancellor must report to NSW ICAC any matters that, on reasonable grounds, concern or may concern corrupt conduct.

(41) The General Counsel and Chief Governance Officer or the Vice-Chancellor may report to NSW Police any matters that, on reasonable grounds, concern or may concern a criminal offence. This includes fraud.

Civil proceedings to recover the proceeds of fraud or corruption

(42) The University will seek to recover any money or assets lost and seek criminal or civil restitution when it is in the best interests of the University to do so.

(43) If recovery does not occur, the amount of money or assets lost may be borne by the business unit, College or School where the incident occurred.

Internal control review following discovery of fraud

(44) The University, in conjunction with the business unit, College or School's management team, will conduct a review of the internal controls in the relevant area where fraud or corruption is detected, with a view to recommending continuous improvement initiatives for the enhancement and improved rigour of internal controls to prevent a recurrence of the same nature. This review will be coordinated by the General Counsel and Chief Governance Officer.

Maintaining and monitoring adequacy of fidelity guarantee insurance and other insurance relative policies dealing with fraudulent or improper conduct

(45) The University will, as part of the regular review of its insurance cover, review the appropriate level of Fidelity Insurance Cover.

Section 10 - Monitoring and Review

(46) Legal and Governance Services will monitor and review the University's FCCS for the purpose of:

a. assessing compliance with the Framework and associated policies to demonstrate its effectiveness;
b. identifying, assessing and addressing any deficiencies;
c. ensuring currency of the Framework;
d. assessing effectiveness of controls;
e. diagnosing control weaknesses; and
f. reporting through the Chief Operating Officer on weaknesses in controls and remedies, as appropriate.

(47) This Framework was prepared in line with ‘AS 8001-2021 Fraud and Corruption Control’, and where practical, aligns with good practice advice issued by the NSW Independent Commission Against corruption (ICAC), the NSW Ombudsman and Audit Office of NSW (AONSW).

Status and Details

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Responsible Executive	Alex Zelinsky Vice-Chancellor alex.zelinsky@newcastle.edu.au
Enquiries Contact	Daniel Bell General Counsel and Chief Governance Officer Legal and Governance Services

Glossary Terms and Definitions

"University" - The University of Newcastle, a body corporate established under sections 4 and 5 of the University of Newcastle Act 1989.

"Council member" - A person who is a member of the University Council as described in Section 8B of the University of Newcastle Act, 1989.

"Risk" - Effect of uncertainty on objectives. Note: An effect is a deviation from the expected, whether it is positive and/or negative.

"Risk management" - The co-ordinated activities of assessing, controlling, monitoring, and reviewing risk in the pursuit of the University's objectives.

"Risk assessment" - The overall process of risk identification, risk analysis, and risk evaluation.

"Asset" - Any tangible or intangible item (or group of items) that the University owns or has a legal or other right to control and exploit to obtain financial or other economic benefits.

"Complaint" - As defined in Australian/New Zealand Standard - Guidelines for complaint management in organisations.

"Controlled entity" - Has the same meaning as in section 16A of the University of Newcastle Act 1989.

"Student" - A person formally enrolled in a course or active in a program offered by the University or affiliated entity.

"Program" - When referring to learning, a program is a sequence of approved learning, usually leading to an Award. For all other uses of this term, the generic definition applies.

"Research" - As defined in the Australian Code for the Responsible Conduct of Research, or any replacing Code or document.

"School" - An organisational unit forming part of a College or Division, responsible for offering a particular course.

"Senior staff" - Deputy Vice-Chancellor, Pro Vice-Chancellor, Global Innovation Chair, Global Innovation Professorial

Fellow, Head of School, Director or equivalent.

"Staff" - Means a person who was at the relevant time employed by the University and includes professional and academic staff of the University, by contract or ongoing, as well as conjoint staff but does not include visitors to the University.

"Supervisor" - Staff members with direct supervisory responsibility for other staff within the workplace (a Supervisor may also be member of Senior Management, with duties as an Officer as defined in the Work Health and Safety Act 2011, or any replacing legislation).

"College" - An organisational unit established within the University by the Council.

"Delegate" - (noun) refers to a person occupying a position that has been granted or sub-delegated a delegation of authority, or a committee or body that has been granted or sub-delegated a delegation of authority.