

## Fraud Investigation Procedure

<b>Approving authority</b>	University Council
<b>Approval date</b>	3 December 2018 (5/2018 meeting)
<b>Advisor</b>	Chief Operating Officer   <a href="mailto:coo@griffith.edu.au">coo@griffith.edu.au</a>   (07) 373 57343
<b>Next scheduled review</b>	2020
<b>Document URL</b>	<a href="http://policies.griffith.edu.au/pdf/Fraud%20Investigation%20Procedure.pdf">http://policies.griffith.edu.au/pdf/Fraud Investigation Procedure.pdf</a>
<b>TRIM document</b>	2018/0000119
<b>Description</b>	The Fraud Investigation Procedure sets out the operational approach to managing fraud and corruption related investigations within the University. It provides an overview of how fraud related investigations will be managed and defines management responsibilities.

### Related documents

[Code of Conduct](#)

[Conflict of Interest Policy](#)

[Fraud and Corruption Control Framework](#)

[Academic Staff Enterprise Agreement](#)

[General Staff Enterprise Agreement](#)

[General Staff Misconduct Committee Guidelines \(Section 45 General Staff Enterprise Agreement\)](#)

[Gifts and Benefits Policy](#)

[Losses Policy](#)

[Personal Relationships in the Workplace](#)

[Public Interest Disclosure Policy](#)

[Risk Management Policy](#)

[Financial Accountability Act 2009](#)

[Crime and Corruption Act 2001](#)

[Commonwealth Crimes Act 1914](#)

[Queensland Criminal Code](#)

[Public Sector Ethics Act 1994](#)

[Public Interest Disclosure Act 2010](#)

[Crime & Corruption Commission Corruption in Focus](#)

[\[Definition\]](#) [\[Objective\]](#) [\[Scope\]](#) [\[Fraud Triggers\]](#) [\[First Response Process\]](#) [\[Decision to Investigate Further\]](#) [\[Crime and Corruption Commission Reporting\]](#) [\[Independent Investigation\]](#) [\[Investigation Report\]](#) [\[Further Actions\]](#) [\[Record Keeping\]](#) [\[Review\]](#) [\[Appendix A\]](#) [\[Appendix B\]](#)

## 1. DEFINITION

For the purpose of this document, the following key definitions are applied in conjunction with the corrupt conduct, corruption and fraud definitions outlined in the Fraud and Corruption Control Framework:

**Ethical culture of Integrity** is based on an organisational culture of consistently exhibiting strong moral principles which ensures that as an organisation we have consistent standards of honesty and adherence to University policies and procedures.

**Investigation** is a search for evidence relating to a specific fraud allegation(s) to determine the facts relating to the matter and to assist in deciding what, if any, action should be taken in relation to the matter(s).

---

## 2. OBJECTIVE

Griffith is committed to an ethical culture of integrity. This Fraud Investigation Procedure (Procedure) supports the University's culture of integrity and ethical decision-making and our responsibilities in properly responding to any fraud and corruption allegations. This Procedure sets out the University's principles and responsibilities for investigations of alleged fraud and corruption. This procedure is underpinned by the Fraud and Corruption Control Framework.

---

## 3. SCOPE

This Procedure applies to Council and University Committee members, students, and staff of the University and its controlled entities. For the purpose of this Procedure and the Fraud and Corruption Control Framework, '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.

---

## 4. FRAUD TRIGGERS

Fraud can occur in many ways; it may involve one or more internal and external parties and may be executed by one person or involve a number of parties. Irrespective of how fraud is perpetrated, in most circumstances, fraud arises due to pressure, opportunity and / or rationalisation. The observing officer who identifies potential fraud triggers or who reasonably suspects fraudulent or corrupt activity, should remain calm and avoid alerting the perpetrator or perpetrators that they have become aware of the fraudulent behaviour.

---

## 5. FIRST RESPONSE PROCESS

First response is the time when someone becomes aware of a suspected fraud or corrupt activity, until the submission of a report. Refer Appendix A for Initial Response Process flowchart.

Except for first response actions, the University's authorised officer – Chief Operating Officer will assess the allegation of fraudulent or corrupt behaviour to determine the appropriate course of action and resolution. The Chief Operating Officer may delegate assessment tasks to relevant

senior officers. Each allegation will be examined to determine whether fraudulent or corrupt behaviour has occurred.

i. Reporting of a Potential Fraud

All members of the University community play an important role in identifying and reporting suspicious actions or wrong doing. 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.

Reporting concerns internally to a supervisor is usually the most effective way to correct wrongdoing as this enables the University to quickly investigate and address concerns. The [Public Interest Disclosure](#) policy sets out other options for reporting suspected wrongdoing, including to the independent whistleblower hotline 'Your Call.'

It is important to maintain confidentiality and not to discuss the matter, other than for the purpose of making a report. Maintaining confidentiality protects the discloser against reprisals and also protects other people affected by the disclosure.

The [Public Interest Disclosure](#) policy provides advice on the options for making a disclosure to a proper authority if internal fraud or corrupt conduct is suspected.

Information about whistleblowing is available on the University's [Integrity Program](#) and the University's [Public Interest Disclosure](#) website.

'Your Call' has been engaged by the University to impartially and confidentially manage disclosures 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](http://www.yourcall.com.au/report). The organisational identification for the University is GRIFFITH.

External stakeholders who have reason to suspect fraud or corruption or that opportunities for the same exist at the University are encouraged to report their concerns using the Your Call service or via email to the Chief Operating Officer: [complaints@griffith.edu.au](mailto:complaints@griffith.edu.au) or telephone: +61 7 373 57111

It is important to ensure that, irrespective of how the fraud is discovered, the observer should simply report the facts as they are understood to the proper authority and not try to investigate the matter further as the discovery may be far more serious than it initially appears and may involve many parties. Observers should only intervene if it is necessary to prevent harm to any person and it is safe to do so.

ii. Capturing Available Evidence

Observers should capture as much information as possible about the suspected wrongdoing to include in their disclosure but only if it is safe to do so. An accurate record should be made based on immediate knowledge of the incident and without making any further inquiries. The following checklist can act as a guide for capturing all relevant information observed or identified:

Party involved in incident observed:

- Internal or external to the University
- Name, position, and business unit
- Time and date of incident and/or loss
- Details of other witnesses to incident

Details of questionable incident observed:

- Incident observed through phone / email / person / other
- Details of questionable incident (who, what, when, where, how)

- Specific requests made (where relevant)
- Location of the observer when incident occurred
- Details of any conversations or interactions that the observer was involved in or overheard (where relevant)

Evidence of questionable incident observed (only if available):

- Copies of documents, exhibits or records
- Photos, videos, screenshots or other image-based evidence (which should be legally acquired)
- Phone recordings, text messages, emails or any other electronic communication available
- Data stored in computer systems or other electronic devices
- Any other available evidence that may support the concerns raised

### iii. Submitting a Report

Time is of the essence when dealing with suspected fraudulent or corrupt action. It is important that the observer uses one of the options for making a disclosure (see Section 5(i) of this Procedure) to ensure reporting and appropriate escalation occurs as soon as possible after the suspicion arises.

Managers or supervisors receiving a first communication about alleged fraud and corruption should:

- maintain a log of all actions taken since the information was received and encourage the observer to do the same.
- prepare accurate file notes of conversations or other communication that have occurred; these notes may be required for investigation or court proceedings at a later stage.
- only advise / involve those who absolutely need to know.
- promptly advise the appropriate line manager / supervisor or submit a verbal or written disclosure to:

- The Chief Operating Officer

Email: [coo@griffith.edu.au](mailto:coo@griffith.edu.au) | Telephone (07) 373 57343;

- The Director, Audit, Risk and Compliance

Email [d.raniga@griffith.edu.au](mailto:d.raniga@griffith.edu.au) | Telephone (07) 373 58513;

- The Manager, Internal Audit

Email [d.constantinous@griffith.edu.au](mailto:d.constantinous@griffith.edu.au) | Telephone (07) 373 56402;

- The Vice Chancellor, in the case of a disclosure about the Chief Operating Officer

Email [vc@griffith.edu.au](mailto:vc@griffith.edu.au) | Telephone (07) 555 28178; or

- The Chancellor, in the case of a disclosure about the Vice Chancellor

Email [chancellor@griffith.edu.au](mailto:chancellor@griffith.edu.au) | Telephone (07) 373 58502

## 6. DECISION TO INVESTIGATE FURTHER

The Chief Operating Officer should be informed of all alleged internal fraud and corrupt conduct incidents (public interest disclosures). The Chief Operating Officer will comply with the procedures for assessing, investigating and documenting disclosures as detailed in the [Public Interest Disclosure Policy](#). The Chief Operating Officer will to the greatest extent possible keep the disclosure and the identity of the disclosure confidential. The Chief Operating Officer may delegate tasks and/or undertake consultations with relevant senior officers as necessary for the purpose of the initial investigation of the disclosure. All findings from the initial investigation will be documented in an Initial Evaluation Report. The report will also recommend an independent investigation of the incident if required, and whether the investigation should be conducted under the protection of legal professional privilege. Further, a review of internal controls relevant to the incident will also be undertaken.

---

## 7. CRIME AND CORRUPTION COMMISSION REPORTING

The Chief Operating Officer will advise the Vice Chancellor, who will determine whether to notify the Crime and Corruption Commission (CCC). The Crime and Corruption Act 2001 places a duty to notify the CCC of any reasonable suspicion of corrupt conduct. Reporting to the CCC occurs prior to determining whether an offence has occurred.

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. However the University must advise the complainant of the University's reasons for taking no action. For further guidance refer to the CCC website [Corruption in Focus section 3.2](#).

---

## 8. INDEPENDENT INVESTIGATION

When an independent investigation of the incident is recommended, the following steps will be undertaken to ensure the investigation is carried out in an appropriate manner, dependent on whether the fraud perpetrated was internal or external to the University. Refer Appendix B for Independent Investigation Process flowchart.

For example, the planning for the investigation of a fraud may include the preparation of terms of reference in the following form.

### i. Terms of Reference

Where an independent investigation is recommended, matters to be considered and confirmed by the Chief Operating Officer as part of the independent investigation planning process should include:

- Qualification, competency and relationship of the investigating personnel
- Specific issues and matters to be examined in depth;
- Identification of functional areas and key staff to be involved;
- Identification and engagement of specialist qualified independent expertise or support required;

- Ensure investigation reviews prior periods (if applicable) to identify whether further fraud instances have occurred and to assess the magnitude of the loss to the University
- Expected costs and time period for the investigation;
- Confirmation of the powers and responsibilities of the investigator(s);
- Milestones, key review points and report back dates;
- Determine clearly the deliverables required.

**ii. Purpose of investigation**

The purpose of any investigation will be to:

- Establish and document the relevant facts;
- Make a finding of fact based on the available evidence; and
- Provide recommendations to the University.

**iii. Principles of Procedural Fairness**

The principles of procedural fairness and natural justice are designed to ensure that decision making is fair and reasonable and avoids bias. Before any final determination is made, a person who is the subject of a report will be:

- Told the substance of the allegation;
- Told the substance of any adverse comment arising out of an investigation that may be included in a report, memo, or letter;
- Given a reasonable opportunity to answer any allegation and respond to any negative findings; and
- The presumption of innocence is maintained throughout the investigation unless the allegations are proved to be substantiated.

**iv. Key Considerations**

The following should be considered prior to the commencement of any investigation:

- If there is any doubt about the University's authority to gather information, appropriate legal advice should be sought;
- Provisions, directives, guidelines and procedures required by law and relevant staff enterprise agreements are observed throughout the process.
- There is 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 discloser, 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.

## **9. INVESTIGATION REPORT**

At the completion of an investigation, the information gathered is assessed by the investigator and a formal report prepared. All recommendations within the report are supported by evidence. Reports are logical and provide a sound basis for decisions to be made on the merits of the case and on the balance of probabilities.

**i. Allegation is not substantiated**

If based on the evidence, the report finds the allegations to be unsubstantiated, the Chief Operating Officer may direct the investigation to be closed off with a file note and no further action will be taken.

**ii. Allegation is substantiated**

The investigation report will be reviewed by the Chief Operating Officer who, in consultation with appropriate Senior Management, will assess what further action will be taken. Fraud and corruption, when proven, is a breach of the Code of Conduct and may lead to performance management or disciplinary action. Such action could range from counselling to termination of employment and reporting to external authorities, as appropriate.

**iii. Reporting to External Agencies**

- Queensland Police Service - Reporting to the Queensland Police Service will occur once it is determined that an offence has been committed under the Criminal Code or any other Act. Reporting may be made early to prevent further harm to the University.
- Queensland Audit Office – Reporting to the Queensland Audit Office is based on whether a loss has been incurred.
- Crime and Corruption Commission – Reporting to the Crime and Corruption Commission occurs when there is a reasonable suspicion that corrupt conduct has occurred. (See section 7 of this Procedure for further information).

---

## **10. FURTHER ACTIONS**

**i. Review of Control Environment**

As part of any investigation undertaken, a review will 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.

**ii. Review of Adequacy of and Impact to the Fraud and Corruption Control Framework and the Integrity Program**

The investigators will also review and recommend any changes required to these procedures or component documents and the Integrity Program, following from the lessons learned from the investigation.

**iii. Recovery of Losses**

The University will make every attempt to recover any funds misappropriated through all means available to it.

**iv. 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.

---

## **11. RECORD KEEPING**

All records relating to investigations should be securely stored in a central location by the relevant Chief Investigator and maintained for a period of seven years. Access to and review of these files will be determined on an 'as needs' basis by the Director, Audit, Risk and Compliance in consultation with the Chief Operating Officer.

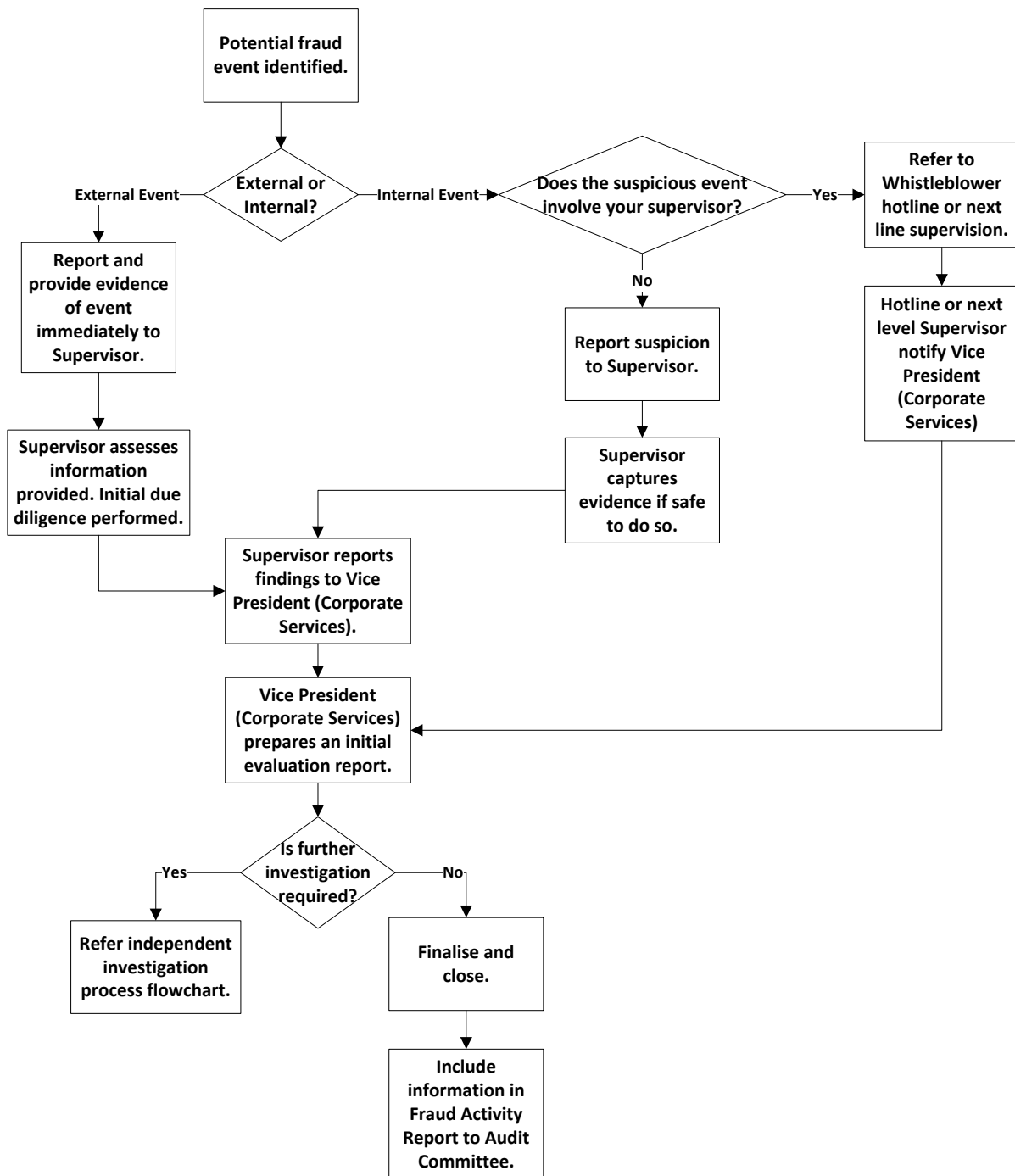
## **12. REVIEW**

This procedure will be reviewed every two years for adequacy and effectiveness. Furthermore, it shall be reviewed after any significant incident of fraud.

---



## Appendix A: INITIAL RESPONSE PROCESS



## Appendix B: INDEPENDENT INVESTIGATION PROCESS

