

# Fraud and Corruption Policy

<b>Area of College</b>	Shared Services
<b>Policy Owner</b>	EGM Shared Services and CFO
<b>Approved by</b>	RACP Board
<b>Effective Date</b>	<a href="#">2/12/2025</a>
<b>Next Review Date</b>	<a href="#">30/11/2027</a>
<b>References/Legislation</b>	Corporations Act (2001) (Cwth) Companies Act 1993 (AoNZ) Crimes Act 1961 (AoNZ) Crimes Act 1958 (Vic) Crimes Act 1900 (NSW) Criminal Code (QLD) Criminal Law Consolidation Act 1935 (SA) Criminal Code Act 1924 (Tas) Criminal Code (WA)
<b>Associated RACP Documents</b>	Fraud and Corruption Framework Acceptable Use of Information Technology Policy Asset Management Policy and Procedures Building Security and Access Control policy Complaint Management Policy Conflict of interest Policy Constitution of the RACP Decision-making checklist For the College Board and its College Bodies Electronic Signature Policy Employee Handbook

	Expense and Credit Card Policy Financial Delegation Schedule Gifts and Benefits Policy Governance of College Bodies By-Law Inward Sponsorship from External Parties Policy Media and Communications Policy Office Holder Travel and Expense Allowance Policy Procurement Policy Procurement and Contracting Procedures Risk Management Framework Risk Management Policy Enterprise Risk Management Framework Standing Delegations of Authority – Non-Financial. Whistleblower Policy.
<b>Applicability</b>	Australia and Aotearoa New Zealand

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## 1. INTRODUCTION

- 1) The Royal Australasian College of Physicians (the College) connects, trains and represent over 30,000 medical specialists and trainee specialists from 33 different specialties, across Australia and Aotearoa New Zealand. In so doing, the College enters into thousands of contracts and financial arrangements annually, dealing with Fellows, trainees, CPD participants, Overseas Trained Physicians and Paediatricians, suppliers, Government agencies.
- 2) Fraud and Corruption is regulated by a number of laws in Australia, including the Australian Commonwealth and State criminal codes, Corporations legislation, and common law.

## 2. PURPOSE

The purpose of the Fraud & Corruption Policy (the Policy) is to provide a context for managing and reducing the risks of fraud and corruption in the context of the College's operations in Australia, Aotearoa New Zealand, and internationally. It is aimed at:

- protecting the integrity, resources and reputation of the College
- setting out the responsibilities of employees, management, contractors, and Board members in preventing, detecting, and reporting fraud and corruption
- ensuring appropriate investigation and response to suspected fraud and corruption.

## 3. SCOPE

The Policy applies to:

- all College Bodies, Fellows, Trainees, Management and Team members of the College
- all operations, activities and services undertaken by the College.

## 4. WHAT IS FRAUD AND CORRUPTION

### 4.1. Fraud and Corruption

- 1) **Fraud** involves dishonestly obtaining or attempting to obtain a benefit or advantage for any person, or dishonestly causing or attempting to cause a loss to the College by deception or other means. This includes, but is not limited to:
  - a) theft of moneys or other property, regardless of whether deception is involved
  - b) false invoicing (i.e. creating a fictitious invoice claiming payment for goods or services not delivered or exaggerating the value of goods delivered or services provided)
  - c) false accounting / accounts receivable fraud (misappropriation or misdirection of remittances received from a debtor or paid to a vendor)
  - d) unauthorised use of a credit card or credit card number issued to another person
  - e) deliberate falsification, concealment, destruction, or use of falsified documentation used or intended for use for a normal business purpose

- f) improper use of information or position for personal benefit
  - g) misuse of position in order to gain some form of financial advantage.
- 2) **Corruption** is a dishonest activity in which a director; executive, manager, employee, or contractor of the College acts contrary to the interests of the College and abuses their position of trust in order 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 College, or by a person purporting to act on behalf of and in the interests of the College, to secure some form of improper advantage for the College either directly or indirectly. Examples that constitute corrupt behaviour include but are not limited to:
- a) offer, payment, solicitation, or receipt of secret commissions / bribes and kick-backs, which may be paid in money or in some other form of value and which may relate to a specific decision or action by the receiver or generally
  - b) release of confidential information for other than a proper business purpose in exchange for some form of nonfinancial benefit or advantage accruing to the persons releasing the information
  - c) collusive tendering (the act of multiple tenderers for a particular contract colluding in preparation of their bids)
  - d) payment or solicitation of donations for an improper political purpose
  - e) serious conflict of interest involving a member of the Senior Leadership Team, manager, employee, or Director of the College acting in their own self-interest rather than the interests of the College
  - f) serious nepotism and cronyism where the appointee is inadequately qualified to perform the role to which they have been appointed
  - g) manipulation of the procurement process by selectively providing information to some bidders and not to others
  - h) receipt or the making of gifts or entertainment intended to achieve a specific or generic commercial outcome
  - i) causing, contributing to, or being directly linked to modern slavery (defined broadly as all forms of human trafficking, forced labour and slavery-like practices), which can be closely linked to corruption or fraud
  - j) bribing government officials (locally or in foreign jurisdictions) for any reason, including to secure a contract for the supply of goods or services.

Some common examples of fraud or corruption are:

Examples of Fraud	Examples of Corruption
<ul style="list-style-type: none"> <li>• leave taken but not lodged into the system</li> <li>• payroll fraud with funds paid to ghost employees</li> <li>• inflated expense claims made by the employees</li> <li>• misappropriation of assets</li> <li>• personal expense claimed on the corporate card</li> <li>• creating fake invoices and purchase orders or funds redirection</li> <li>• inflated time sheets recorded by employees/contractors.</li> </ul>	<ul style="list-style-type: none"> <li>• information shared with a vendor with a kickback offered to the staff</li> <li>• failure to declare a conflict of interest (relationship) such as family member or friend or neighbour</li> <li>• nepotism or favouritism</li> <li>• misappropriation of funds for personal use</li> <li>• offering, accepting or giving money or other benefits in exchange for a favourable outcome or decision.</li> </ul>

## 4.2. The College's Risk Appetite to Fraud and Corruption

- a) the College is committed to establishing and maintaining an organisational culture of integrity and ethical behaviour and has a '**zero tolerance**' attitude towards fraud and corruption.
- b) the College is committed to implementing a Fraud and Corruption Management Framework compatible with AS 8001:2021 Fraud and Corruption and reflecting the requirements of the Commonwealth Fraud and Corruption Control Framework 2024.

## 4.3. Fraud and Corruption Control System

- a) the College is not immune to fraud and/or corruption either. Incidents related to fraud and/or corruption **MUST** be reported as outlined in the Section 4 ([How to Report Fraud & Corruption Matters – Quick Reference Guide](#)). The College takes a proactive risk management approach to ensure that the assessment, prevention, detection, and investigation of suspected fraudulent and corrupt activity is incorporated into decision making, business processes, management practices, internal controls, and related activities.
- b) the Fraud and Corruption Control Framework (Framework) includes an on-going system of training, regular risk assessment and reporting to ensure Senior Leadership and the Finance and Risk Management Committee regularly review exposure to fraud risk.
- c) the Framework identifies potential risks and sources of fraud and corruption within the College.
- d) the audit program undertakes regular internal and external audits of control systems and practices for detecting and dealing with illegal, fraudulent, dishonest, corrupt or unethical conduct. This includes undertaking risk assessments and compliance reporting.
- e) the Finance and Risk Management Committee (FRMC) endorse the Framework, which includes this Fraud and Corruption Policy and accompanying Framework Document, together with the following documents:
  - i) Constitution of the RACP
  - ii) Code of Conduct

- iii) Risk Management Policy
- iv) The Whistleblower Policy
- v) Working Together Policy
- vi) Standard Contract of Employment.

## 5. HOW TO REPORT FRAUD & CORRUPTION MATTERS – QUICK REFERENCE GUIDE

It is everyone's responsibility to report on a Fraud and corruption matter. It is to note that only facts of incidents MUST be reported rather than a hear say.

Fraud and corruption Disclosure can be reported either internally or externally quickly and confidentially. Disclosures can be made through any of the following channels. If you wish to make an anonymous Disclosure, KPMG FairCall service may be the easiest method to use which allows Disclosures to be made to the KPMG team 24/7\*.

<b>Internal</b>	<p><b>In person</b> - Reporting directly to</p> <ul style="list-style-type: none"> <li>- your manager</li> <li>- an SLT team member</li> <li>- the CEO</li> </ul> <p><b>In Person</b> - Reporting it confidentially to the nominated Whistleblower Protection Officer (WPO)</p> <ul style="list-style-type: none"> <li>- General Counsel (<a href="mailto:wpo@racp.edu.au">wpo@racp.edu.au</a>)</li> <li>- Senior Legal Counsel (<a href="mailto:wpo@racp.edu.au">wpo@racp.edu.au</a>)</li> </ul> <p><b>Email</b> <a href="mailto:wpo@racp.edu.au">wpo@racp.edu.au</a></p> <p><b>Mail</b></p> <p style="text-align: right;">Attn: Whistleblower Protection Officer (WPO) C/- Royal Australasian College of Physicians 145 Macquarie Street Sydney, New South Wales, 2000 Australia</p>
<b>External</b>	<p>A dedicated independent whistleblowing service FairCall where disclosures can be made online or by phone or mail. The contact details for FairCall are:</p> <p><b>Website</b> <a href="https://www.kpmgfaircall.kpmg.com.au/RACP">https://www.kpmgfaircall.kpmg.com.au/RACP</a></p> <p><b>24/7 Phone Hotline</b> Australia 1800 500 965 New Zealand 0800 100 526</p> <p><b>FairCall Mail</b> FairCall Manager KPMG Forensic PO Box H67 Australia Square Sydney NSW 1213</p>

<b>RACP Eligible Recipient</b>	<p>If a Discloser is unable to use any of the above channels, they can make their disclosure to any of RACP's Eligible Recipients. These are:</p> <ul style="list-style-type: none"> <li>- any member of the Board of Directors or the Company Secretary</li> <li>- any of RACP's SLT member</li> <li>- RACP's internal and external auditors</li> <li>- If your disclosure is about tax issues) any employee or officer who has functions or duties relating to the tax affairs of the College.</li> </ul> <p>An Eligible Recipient may direct the Discloser to make the report to a WPO, if they consider it appropriate in the circumstances.</p>
<b>External Body</b>	<p>A Discloser may also make a report about a Disclosable Matter to an external party such as ACNC, ASIC, APRA or the ATO.</p>

*\*Outside of business hours, disclosers may elect to have their call answered by KPMG South Africa, or they may leave a voicemail with KPMG Australia for a call back service*

## 6. ROLES AND RESPONSIBILITIES

Role	Responsibilities
<b>Board</b>	<ol style="list-style-type: none"> <li>1. responsible for fraud and corruption control at the College, including review and approval of this Policy, the Fraud &amp; Corruption Framework and its risk appetite.</li> <li>2. ensuring that a sound system of fraud and corruption management and internal control is implemented which, in all material respects, implements the policies adopted by the Board</li> <li>3. setting the 'tone at the top' by championing the College's fraud and corruption management processes and encouraging the right attitude to fraud and corruption management amongst Fellows, trainees, and employees</li> <li>4. the Board acknowledges the importance of ensuring that matters within the scope of this Policy are dealt with in accordance with the Policy, the principles of procedural fairness and the overriding obligations imposed by applicable law</li> <li>5. the Board, together with each individual director, will take all reasonable steps to assist the WPO (and the General Counsel) to discharge their duties under this Policy.</li> </ol>
<b>Finance and Risk Management Committee (FRMC)</b>	<ol style="list-style-type: none"> <li>1. monitoring the implementation of the risk management framework by: <ol style="list-style-type: none"> <li>a) receiving reports from management, external and internal auditors, legal counsel, regulators, and consultants as appropriate</li> <li>b) monitoring the fraud and corruption risk register.</li> </ol> </li> <li>2. reporting to the Board concerning the management of fraud and corruption risks within the College.</li> <li>3. assessing whether the College's fraud and corruption management processes are continually adapting to reflect the changing environment.</li> </ol>
<b>Chief Executive Officer (CEO)</b>  <b>(supported by the Risk and Compliance Manager)</b>	<ol style="list-style-type: none"> <li>1) responsible for fraud and corruption control at the RACP. Indicative responsibilities of certain roles are set out in this section. The description of responsibilities is not intended to be definitive</li> <li>2) ensuring that the fraud and corruption management policy and framework are understood, adopted, complied with, and effective at all levels of the College.</li> <li>3) championing the College's fraud and corruption management processes and encouraging the right attitude to fraud and corruption management amongst directors, officers, employees, Fellows, and trainees.</li> <li>4) making any reports and disclosures relating to fraud and corruption required by law or regulation.</li> </ol>



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<b>Senior Leadership Team (SLT)</b>	<ol style="list-style-type: none"> <li>1) ensuring that               <ol style="list-style-type: none"> <li>a) all fraud and corruption risks in their areas of responsibility are identified, understood, and responded to in accordance with the fraud and corruption policy and framework</li> <li>b) internal control systems in their areas of responsibility operate effectively</li> <li>c) any inconsistencies, conflicts, and gaps in the College's fraud and corruption management activities and internal control systems are identified and addressed</li> <li>d) new and emerging risks are identified, assessed, and responded to as appropriate</li> <li>e) Assigning ownership of fraud and corruption risks and control activities.</li> </ol> </li> </ol>
<b>College Bodies, Heads of Programs, Projects, and Functions</b>	<ol style="list-style-type: none"> <li>1) identifying potential fraud and corruption risks and advising the relevant member of the SLT accordingly.</li> <li>2) managing risk as it arises in their area(s) of responsibility.</li> <li>3) complying with all College policies, frameworks, and guidelines, including the               <ol style="list-style-type: none"> <li>a) Fraud and Corruption Policy</li> <li>b) Risk Management Policy</li> <li>c) College Code of Conduct.</li> </ol> </li> <li>4) being aware of and accountable for the risks, controls, and treatment tasks allocated to them.</li> </ol>
<b>Risk &amp; Compliance Manager</b>	<ol style="list-style-type: none"> <li>1) supporting the CEO in ensuring that the               <ol style="list-style-type: none"> <li>a) directives of the CEO and the Senior Leadership Group are implemented and followed;</li> <li>b) fraud and corruption management framework is understood and coordinated across the College</li> <li>c) fraud and corruption management processes are implemented and working effectively.</li> <li>d) collation and recording of fraud and corruption risks identified and treatment strategies in the Risk Register</li> <li>e) educating Board, management, and employees on fraud and corruption management principles and procedures</li> <li>f) monitoring of compliance with the fraud and corruption management processes; and reporting to the Finance and Risk Management Committee</li> <li>g) supporting program and business managers in their fraud and corruption management responsibilities by:                   <ol style="list-style-type: none"> <li>i) providing advice on appropriate fraud and corruption management procedures and measurement methodologies throughout the College</li> <li>ii) assisting in the identification of stakeholders and parties affected by potential fraud and corruption risks</li> <li>iii) reviewing fraud and corruption risk analyses and risk treatment plans prepared by management, challenging the bases of assumptions, and advising on potential treatment strategies prior to submission for approval by the Risk Owner</li> <li>iv) coordinating and monitoring the provision and completion of fraud and corruption training by all relevant personnel</li> <li>v) ensuring that processes are in place to notify partner organisations of our expectations of their capacity and processes on fraud and corruption awareness</li> <li>vi) ensuring processes are in place to monitor the probity of procurement procedures.</li> </ol> </li> </ol> </li> </ol>
<b>Whistleblower Protection Officer (WPO)</b>	<ol style="list-style-type: none"> <li>1) receiving notifications of Improper Conduct</li> <li>2) ensuring incidents are appropriately investigated and appropriate action is taken where preliminary inquiries suggest that there appear to be a reasonable basis for the allegations</li> <li>3) ensuring that Investigations are undertaken in a professional and competent manner depending on the nature, size, and complexity of the matter.</li> </ol>
<b>Team Members</b>	<ol style="list-style-type: none"> <li>1) whether paid or voluntary, are responsible for and accountable to the RACP to prevent and report any illegal, fraudulent, dishonest, corrupt or unethical conduct within the RACP as part of their normal responsibilities</li> <li>2) whether paid or voluntary, have a duty to report concerns they have, or information provided to them, about the possible illegal, fraudulent, dishonest, corrupt or unethical activity of any</li> </ol>

	<p>director, officer, employee, Fellow, trainee, contractor or consultant, supplier, partner organisation or any other party with an association with the RACP</p> <p>3) all reports should be made in accordance with the RACP Whistleblower Policy including to the Whistleblower Protection Officer by emailing <a href="mailto:wpo@racp.edu.au">wpo@racp.edu.au</a></p> <p>4) reporting to the sponsors within the timeframes set out in the funding agreements if alleged illegal, fraudulent, dishonest, corrupt or unethical conduct identified relates to donor funds.</p>
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## 7. DISCIPLINARY PROCEDURES

- a) any breach of this Fraud and Corruption Prevention Policy may result in disciplinary action, termination of employment, or criminal prosecution and may have serious consequences for all parties involved
- b) all directors, officers, employees, Fellows, and trainees have an individual responsibility to raise any suspicion, allegation or report of fraud or corruption in accordance with the Whistleblower Policy.

## 8. REVIEW OF POLICY

This policy will be reviewed every two years or as required in the event of legislative changes or requirements. The policy may also be changed as a result of other amendments.

Staff and members of the College may provide feedback about this document by emailing [RACPPolicy@racp.edu.au](mailto:RACPPolicy@racp.edu.au).

## 9. DEFINITIONS

Term	Means
"Board"	the Board of Directors of the College.
"College"	The Royal Australasian College of Physicians, ACN 000 039 047, an incorporated body limited by guarantee.
"College Body"	<ul style="list-style-type: none"> <li>the council of each Division or Faculty of the College</li> <li>the Committee of each Chapter formed within a Division or Faculty</li> <li>each Board Committee</li> <li>each Committee, sub-committee, working group, expert advisory group or other sub-group formed under the auspices of any of the above, whether or not limited in time or purpose.</li> </ul>
"Contractor" or "Contract Staff"	any person or company (other than a Volunteer or Employee) performing work for or on behalf of the College, including their employees or subcontractors
"Corruption"	the offering, giving, soliciting, or acceptance of an inducement or reward that may improperly influence the action of a person or entity. Examples of corruption include bribery, conspiracy, and extortion.

Term	Means
"Employee"	a person carrying out work in any capacity for the College, including: <ul style="list-style-type: none"> <li>• an employee of the College; or</li> <li>• a consultant; or</li> <li>• a contractor; or</li> <li>• an employee of a labour hire company who has been assigned to work in the College;</li> </ul>
"Fraud"	Dishonestly obtaining a benefit, or causing a loss, by deception or other means. "Benefit" refers to both tangible items, such as money or objects, and intangible benefits including power, status, or information.
"Fellow", "Trainee", and "Member"	have the same meaning as in the College Constitution
"Volunteer"	a person acting on a voluntary basis (irrespective of whether the person receives out-of-pocket expenses)

## 10. HISTORY

Revision	Effective Date	Summary of Changes	Policy Writer/s
0.1	5/12/2021	Initial draft for SLT review	Risk and Compliance Manager
0.9	31/1/2022	Updated with feedback from Legal and presented to Internal Audit for feedback	Risk and Compliance Manager
0.95	18/2/2022	Revised structure to more closely comply with ISO 8001, added additional headings and supplementary detail.	Risk and Compliance Manager
0.96	21/2/2022	Separated Framework and Policy into separate documents	Risk and Compliance Manager
01	4/09/2025	Added reference to Commonwealth Fraud and Corruption Control Framework 2024x	Snr Risk and Compliance officer
2	09/09/2025	Updating Aus & NZ ranking per the latest report by Transparency International, reformatting roles and responsibilities from text to table, Addition of scope, purpose and examples to both fraud and corruption	Risk & Compliance Manager