Australian Government
National Health and Medical Research Council

NHMRC

NHMRC FRAUD AND CORRUPTION CONTROL FRAMEWORK

2026–2028

Document Control

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Revision History

Date	Version	Key Revision Description	Area Making Change
July 2026	7	Biennial review and updates, including updated information on fraud related to grants	Governance and Legal Section
July 2024	6	Updated *Commonwealth Fraud and Corruption Control Framework 2024*	Governance and Legal Section
October 2023	5.1	Updated Fraud and Corruption Control Officer contact details	Governance and Legal Section
July 2023	5	Extension of current policy and amendments to demonstrate compliance with the National Anti-Corruption Commission Act	Governance, Regulation and Secretariat Support Section
January 2023	4	Extension of current policy and minor editorial amendments to reflect new resource (AS8001:2021) guidance	Governance, Regulation and Secretariat Support Section *(previously: Strategic Projects and Support)*
January 2020	3	Updated Commonwealth Fraud Control Framework	Strategic Projects and Support Section
November 2017	2	Extension of current policy and minor revisions	Strategic Projects and Support Section
April 2015	1	New policy	Ethics and Governance Section

Contents

1. Introduction

The National Health and Medical Research Council (NHMRC) is serious about preventing, detecting and responding to fraud and corruption and is committed to high ethical and legal standards. All officers of the NHMRC are expected to act with honesty and integrity and uphold the values of the Australian Public Service (APS) in their dealings with stakeholders.

1.1 Objectives of this Fraud and Corruption Control Framework

The NHMRC Fraud and Corruption Control Framework 2026–2028 (the Framework) outlines NHMRC's approach to managing fraud and corruption risks. It assists in the prevention, detection, response and reporting of suspected fraud and corruption against NHMRC.

NHMRC's Framework is supported by a Fraud and Corruption Control Plan (the Plan), which is NHMRC's detailed response to identified fraud and corruption risks. The Plan, which includes Fraud and Corruption Risk Assessments, allocates risks to control owners, ensuring there is oversight and management of identified risks.

1.2 Definitions of fraud and corruption

Fraud

The *Commonwealth Fraud and Corruption Control Framework 2024* defines fraud against the Commonwealth as:

Dishonestly obtaining (including attempting to obtain) a gain or benefit, or causing a loss or risk of loss, by deception or other means. The conduct does not need to represent a breach of criminal law.

A benefit or loss is not restricted to a material benefit or loss and may be tangible or intangible. A benefit may also be obtained by a third party.

Fraud requires intent. It requires more than carelessness, accident or error. When intent cannot be shown, an incident may be non-compliance rather than fraud.

Examples of fraud against the Commonwealth include (but are not limited to):

- theft or misuse of information (including procurement information and personal records)
- accounting fraud (e.g., false invoices, misappropriation)
- misuse of Commonwealth credit cards
- misuse of Commonwealth funds
- obtaining or attempting to obtain Commonwealth funds by deception
- unlawful use of, or unlawful obtaining of, property, equipment, material or services
- causing a loss, or avoiding and/or creating a liability
- providing false or misleading information to the Commonwealth, or failing to provide information when there is an obligation to do so
- misuse of Commonwealth assets, equipment or facilities
- making or using, false, forged or falsified documents
- wrongfully using Commonwealth information or intellectual property.

NB. While they are not substantiated fraud, allegations or suspected fraud need to be reported and managed in accordance with this Framework.

Corruption

For the purposes of the *Commonwealth Fraud and Corruption Control Framework 2024*, corruption in relation to an entity is defined broadly consistently with the NACC Act and is:

Any conduct that does or could compromise the integrity, accountability or probity of public administration. This includes:

- *any conduct of any person (whether or not a staff member of a Commonwealth agency) that adversely affects, or that could adversely affect, either directly or indirectly:*
  - *the honest or impartial exercise of any staff member's powers as a staff member of a Commonwealth agency; or*
  - *the honest or impartial performance of any public official's functions or duties as a public official;*
- *any conduct of a staff member of a Commonwealth agency that constitutes or involves a breach of public trust;*
- *any conduct of a staff member of a Commonwealth agency that constitutes, involves or is engaged in for the purpose of abuse of the person's office;*
- *any conduct of a staff member of a Commonwealth agency, or former staff member of a Commonwealth agency, that constitutes or involves the misuse of information or documents acquired in the person's capacity as a staff member of a Commonwealth agency.*

Corruption may be criminal or non-criminal in nature and may affect any aspect of public administration. For example, an official being offered or accepting a bribe, or engaging in fraud against the entity.

For the purposes of NHMRC, this definition 'a staff member of a Commonwealth agency' includes members appointed to NHMRC committees, including peer reviewers.

Examples of corruption include:

- breach of public trust – e.g., a decision-maker exercises a delegation for an improper purpose to benefit a friend
- abuse of office – e.g., providing sensitive information to facilitate external fraud committed by others; biased decision-making by NHMRC officials (including committee members)
- misuse of information – e.g., changing, using or disclosing official information on NHMRC's IT systems (including grants management systems) when they are not supposed to, and
- conduct adversely affecting honesty or impartiality – e.g., offering a bribe to an NHMRC official (e.g., to a NHMRC staff member or peer reviewer) to influence the outcome of a process in your favour.

The benefits referred to in the above definitions are not limited to material assets, but can also be intangible, such as the misuse of privileged information.

Fraud and corruption can be perpetrated by NHMRC staff, NHMRC committee members or contractors (internal fraud), or by people external to NHMRC (external fraud). It may also be committed jointly between a staff member and an outsider. Offences of fraud and corruption against the Commonwealth can also constitute offences under the *Criminal Code Act 1995* or the *Crimes Act 1914*.

Non-compliance

Non-compliance is a broad term for any failure to comply with legal requirements. These requirements may be in the form of legislation, regulation, funding agreements, administrative rules, and licensing conditions. One example is the requirement for all APS employees to act in accordance with the APS Code of Conduct, which is set out in section 13 of the *Public Service Act 1999*. Non-compliance includes where parties try to comply but make mistakes (accidental non-compliance) or where parties exploit ambiguities or opportunities that are non-compliant (opportunistic non-compliance).

1.3 NHMRC's exposure to fraud and corruption

NHMRC has assessed its exposure to fraud and corruption as most likely to arise from actions of staff, actions by members appointed to NHMRC committees, and actions taken by people seeking or receiving research funding from NHMRC.

The key fraud and corruption enterprise risks in the Corporate Plan relate to:

- misconduct, including alleged fraud or corruption in research, not being adequately investigated and addressed and/or inadequate controls are placed on NHMRC-funded researchers
- unethical, fraudulent or corrupt conduct or systematic non-compliance by staff, service providers or contractors
- sustainability of operations and/or security of information held by NHMRC Information and Communications Technology (ICT) platforms is threatened by malicious cyber activity.

1.4 The legislative framework

The *Commonwealth Fraud and Corruption Control Framework 2024* supports Australian Government entities to effectively manage the risks of fraud and corruption. It consists of the Fraud and Corruption Rule (section 10 of the Public Governance, Performance and Accountability (PGPA) Rule 2014), the Fraud and Corruption Policy, and Fraud and Corruption Guidance. Section 10 of the PGPA Rule provides a legislative basis for the Commonwealth's fraud and corruption control arrangements and sets out fraud and corruption control requirements to assist Accountable Authorities to meet their obligations under the PGPA Act. Breaches of the Rule may attract a range of criminal, civil, administrative, and disciplinary remedies (including under the PGPA Act, the *Public Service Act 1999*, the *Criminal Code Act 1995* and the *Crimes Act 1914*). A number of other pieces of legislation, external standards and NHMRC policies and procedures are relevant (see below).

Fraud and Corruption – associated legislation, policies and procedures

Key Legislation	External Standards and Guides	Policies and Procedures
National Health and Medical Research Council Act 1992 *Public Governance, Performance and Accountability Act 2013* (particularly PGPA Rule s10) *Public Service Act 1999 (including APS Values and APS Code of Conduct)* *Privacy Act 1988* *Public Interest Disclosure Act 2013* *Crimes Act 1914* *Criminal Code Act 1995* *National Anti-Corruption Commission Act 2022*	Commonwealth Fraud and Corruption Control Framework 2024 Australian Government Investigation Standards Prosecution Policy of the Commonwealth Australian Government Protective Security Policy Framework ASNZ ISO 31000:2018 Risk Management – Guidelines AS 8001:2021 – Fraud and Corruption Control	NHMRC Fraud and Corruption Control Framework (the Framework) NHMRC Fraud and Corruption Control Plan (the Plan) including risk assessments NHMRC Funding Agreement NHMRC Research Integrity and Misconduct Policy and Australian Code for the Responsible Conduct of Research NHMRC Risk Management Policy NHMRC's Accountable Authority Instructions, HR delegations and HR policies and processes

1.5 Review of the *Fraud and Corruption Control Framework* and *Fraud and Corruption Control Plan*

NHMRC will review both this Framework and its Plan at least once every two years or when there is a substantial change in the structure, activities, or functions of the agency.

2. NHMRC's approach to fraud and corruption control

The NHMRC fraud and corruption control strategy is built around the three basic principles of prevention, detection, and response, which are underpinned by foundations of both internal and external controls.

NHMRC actively pursues improvements, such as strengthening internal controls, enhancing reporting mechanisms, and improving training and awareness, to minimise risk, promote transparency, and safeguard integrity. The performance of a regular fraud and corruption risk assessment also provides the opportunity to assess our progress in managing fraud and corruption and to identify the effectiveness of our strategy.

NHMRC identifies fraud and corruption control actions that will be implemented to reduce fraud and corruption risk (see sections 3-5 below for the main control strategies). These specific actions align with NHMRC's general objectives for the prevention and detection of fraud and corruption, including:

General Prevention objectives (ongoing)

- maintain awareness of the risk of fraud and corruption, including conflicts of interest and the importance of security (physical and IT)
- foster a culture of integrity and high ethical standards
- ensure a strong and appropriately targeted post-award compliance regime to ensure the appropriate use of public funds by funded institutions and researchers
- ensure effective conflict of interest management through active conflict checking
- ensure adequate safeguards and post payment monitoring is undertaken to mitigate the risk of fraud and corruption.

General Detection objectives (ongoing)

- encourage reporting of potential fraud by staff and external stakeholders through dedicated reporting mechanisms
- maintain a program of pro-active data analysis over the accounts payable function to identify potential duplicate payments, unauthorised payments, or other accounts payable anomalies
- regular monitoring of electronic logs for unauthorised activity to increase the ability of the NHMRC to detect inappropriate access and minimise the extent of fraud or corruption
- strong contract management and compliance with the Commonwealth Procurement Rules
- monitor Administering Institutions via the Institutional Annual Compliance Report.

General Response objectives (as needed)

- apply appropriate remedies, including recover monies, to deter research misconduct and fraud and corruption
- apply grant guideline provisions, and
- conduct Code of Conduct processes, as appropriate, to deter internal fraud.

2.1 Responsibilities

All NHMRC officials have a shared responsibility to detect, report and prevent fraud and corruption. Senior management has a significant role in the development of an effective anti-fraud and corruption culture at NHMRC.

NHMRC officials will incorporate fraud and corruption risk consideration when planning, designing, implementing or delivering high-risk projects, government initiatives or significant new investments, demonstrating NHMRC's commitment to continuously and proactively reviewing its fraud and corruption control arrangements.

Specific responsibilities are described in Table 2.

Table 2. Key roles and responsibilities

Role	Responsibilities
Chief Executive Officer (CEO) *(NHMRC's Accountable Authority)*	Implement NHMRC's Fraud and Corruption Control Framework in accordance with section 10 of the PGPA Rule. This includes fostering an environment that makes active fraud and corruption control a responsibility of all staff. Report significant issues to the Minister for Health and Ageing. Decide on matters to be referred to law enforcement or integrity agencies. Certify in NHMRC's Annual Report that they are satisfied that the agency has appropriately assessed its fraud and corruption risk and has a fraud and corruption control plan in place to help prevent, detect and investigate fraud and corruption occurrence. Name the Fraud and Corruption Control Officer.
Executive Board	Provide advice to the CEO on fraud and corruption control and make decisions, subject to the agreement of the CEO.
Audit and Risk Committee	Advise the CEO on the appropriateness of NHMRC's system of risk oversight and management, including process for developing and implementing the entity's fraud and corruption control arrangements consistent with the Commonwealth Fraud and Corruption Control Framework. Satisfy itself that NHMRC has adequate processes for detecting, capturing and effectively responding to fraud and corruption risks, including managing cases of suspected internal and external fraud and corruption.
Program Management Committee (PMC) and *Portfolio Investment Committee (PIC)*	Consider whether targeted fraud and corruption risk assessments should be undertaken when considering: • project investment cases or new (or amended) policies, programs (PIC) or • initiatives for NHMRC's grant program and grant hub delivery (PMC).
Deputy CEO and Executive Directors *(Risk owners)*	Foster an environment that makes active fraud and corruption control a responsibility of all staff and support a culture of integrity, including by demonstrating the highest level of integrity. Identify, manage and control fraud and corruption risks within areas of responsibility on an ongoing basis, including embedding fraud and corruption risk management into day-to-day processes and planning.
Control owners	Implement and maintain fraud and corruption controls, including conducting reviews of controls
Fraud and Corruption Control Officer (FCCO)	Reporting to the Deputy CEO, oversee day to day implementation of NHMRC's Fraud and Corruption Control Framework, including: • facilitate a review of strategies as documented in the Framework and make recommendations on proposed improvements • educate staff on the expectations of the Framework and how to manage suspected fraud and corruption • provide a referral point for allegations of fraud and corruption and maintain NHMRC's register of fraud and corruption notifications • manage responses to allegations, including undertake preliminary

	assessment of suspected fraud and corruption and determine next steps in accordance with the Plan, and refer matters, where appropriate, to the CEO, Audit and Risk Committee and/or another agency (e.g., where a suspected fraud relates to another agency).
Executive Director, Research Quality and Advice	Management of: • reports of suspected misconduct by a grant recipient (which may include reports of external fraud) • the NHMRC Enterprise Risk Register • NHMRC's internal audit function.
People, Property and Security Section	Management and reporting of potential breaches of the Australian Public Service (APS) Code of Conduct, which can include corruption and internal fraud.
All NHMRC officials	Act in a professional and ethical manner, in good faith and for proper purposes, follow legal requirements and in a manner that enhances the reputation of NHMRC. Participate in annual mandatory staff training(s) and be aware of what constitutes fraud and corruption, and responsibilities in managing it. Raise any concern, suspicion (red flag), or information of any suspicion of fraudulent, corrupt or improper conduct to the FCCO.

2.2 Consultation and collaboration

As part of its commitment to integrity and accountability, NHMRC will consult with, or refer matters to, other entities where fraud and corruption risks or incidents are likely to impact on the responsibilities of the other entity, e.g. the Department of Health, Disability and Ageing. This may include sharing data, information and intelligence in accordance with relevant legislation, policies and protocols. By consulting with other entities, the NHMRC aims to enhance its fraud and corruption prevention, detection and response capabilities and contribute to the protection of public resources and trust in government. NHMRC will also participate in relevant inter-agency networks, forums or training, with opportunities to learn and share information on common fraud and corruption risks and trends.

3. Prevention

Prevention strategies include actions taken to prevent fraud and corruption through the promotion of a high level of ethics and accountability in relation to fraud and corruption control. At NHMRC, prevention activities include those listed below.

Integrity and organisational culture - The principal influence on organisational culture is ethical conduct by management, and in particular by the Chief Executive Officer (CEO). A fundamental strategy in controlling the risk of fraud and corruption is the development and maintenance of a culture of integrity, underpinned by effective and continuous communication of the expectations of employee conduct within NHMRC, including examples set by management.

Fraud and corruption control planning - To maintain better practice in its fraud and corruption risk management strategies, NHMRC is committed to the following:

- a consistent approach is applied across NHMRC, with each official required to understand their responsibilities for fraud and corruption control
- accessibility to the Framework, with documents accessible to all officials, including those externally engaged
- regular review of the Framework, Plan, risks and controls, and
- policy and process development considers fraud and corruption risks and builds-in prevention activities by design.

Fraud and corruption awareness training - All staff need to be aware of fraud and corruption control issues and actively implement fraud and corruption reduction strategies in the execution of their day-to-day activities. NHMRC promotes various learning and development initiatives, including fraud awareness, Code of Conduct and risk management training, to cultivate a knowledgeable and vigilant workforce dedicated to preventing, detecting, and addressing fraud and corruption.

Internal controls - Internal controls are often the first line of defence against fraud and corruption. NHMRC will ensure the maintenance of a strong internal control system and the promotion and monitoring of a robust internal control culture. NHMRC promotes an internal control culture through a process of:

- documenting key internal controls and control policies
- example setting by management, including disclosures of interests
- communication of the importance of internal controls to all employees
- management of internal controls as part of staff responsibilities
- internal audit programs (see section 3.6 'NHMRC Internal Audit')
- adherence to legislative requirements such as PGPA Act, Code of Conduct and finance laws.

Fraud and corruption risk assessment - NHMRC will conduct an assessment of fraud and corruption enterprise risk regularly (i.e. every two years) and at times of significant change, as required by the Commonwealth Fraud and Corruption Control Framework 2024. Additionally, the CEO, Deputy CEO, or Audit and Risk Committee may request that the enterprise fraud and corruption risk assessment be updated at any time. The fraud and corruption risk assessment will be contained within the Enterprise Risk Register.

The Plan will contain targeted fraud and corruption risk assessments, and associated controls. Risk owners ensure that the strategies developed during the assessment process are reviewed for effectiveness and additional risk treatments implemented, as needed.

Internal audit program - The NHMRC internal audit program is an important element in reviewing risk management strategies and the effectiveness of the governance controls, policies, and procedures in place. The primary purpose of the internal audit program is to provide an independent and objective review and assurance to the CEO and the Audit and Risk Committee that NHMRC's internal controls are designed to manage the organisation's risks and achieve the entity's objectives, and that they are operating in an efficient, effective and ethical manner.

Employee screening and supplier vetting - NHMRC applies screening procedures in accordance with the *Protective Security Policy Framework* for APS officials. Supplier vetting procedures will be included in contractual documentation, where appropriate.

Declaration of interests - NHMRC maintains a declaration of interest (DOI) process for employees.

4. Detection

Detection strategies include actions taken to detect fraud and corruption early and to limit exposure where it does occur. NHMRC may use any or all of these techniques in detecting or investigating potential fraud or corruption.

Fraud and corruption reporting channels - NHMRC has a range of reporting channels that support staff, stakeholders and the public to report suspected fraud and corruption. All officials have a responsibility to advise the CEO, via the FCCO, of any concern, suspicion, or information about fraudulent, corrupt or improper conduct, and to encourage others to do the same. This includes all actions that may appear, or may be an attempt, to dishonestly obtain a benefit or cause a loss, by deception or other means, or which may be an abuse of office or a breach of public trust. Further information about reporting mechanisms is below and in Section 7.

Reports are assessed by the FCCO to determine if a formal investigation and/or compliance action is required or if fraud or corruption prevention strategies need to be applied.

Any person (including members of the public and public officials) can voluntarily refer a corruption issue, or provide information about a corruption issue, to the NACC.

Note that:
- Allegations involving the CEO should be reported to the FCCO or an NHMRC Public Interest Disclosure (PID) Authorised Officer.
- Allegations involving the FCCO should be reported to the Deputy CEO or an NHMRC PID Authorised Officer.

Whistleblower reports and Public Interest Disclosures - People who are prepared to speak up about suspected wrongdoing in the Commonwealth public sector are vital in ensuring its integrity and accountability. Whistleblowing is the act of reporting suspected wrongdoing or risk of wrongdoing.

The Public Interest Disclosure (PID) scheme provides a legislative framework for reporting and investigation of allegations of serious wrongdoing in the Commonwealth public sector. NHMRC has PID procedures that apply to disclosure, assessment, investigation and response. The PID Act has provisions that provide protection for employees who make whistleblower reports of suspected misconduct, which are reflected in NHMRC's PID procedures. Employees who report a suspected wrongdoing to a person authorised to receive the report must not be victimised or discriminated against because they made such a report.

Complaints management - The NHMRC Complaints Policy sets out NHMRC's formal procedures for responding to complaints about its activities, policies or decision-making. Complaints can be made anonymously. Complaints that may relate to fraud or corruption are reported to the FCCO and considered in accordance with this Framework.

Grants' compliance monitoring - Fraud and corruption can undermine the objectives of NHMRC's grants, diverting resources from supporting health and medical research. NHMRC is responsible for protecting taxpayer funding by ensuring that its use is in line with its intended purpose. Accordingly, provision of grant funds is a key fraud and corruption risk area for NHMRC. Active monitoring of grant funds expended can be effective in identifying fraudulent activity by internal actors or external providers and ensuring accountability for the use of Commonwealth funds.

It is the responsibility of the CEO and the Executive, with advice of the Audit and Risk Committee, to determine which monitoring procedures may be required to manage the fraud and corruption risks associated with the provision of grant funds.

Administering Institutions have obligations under this Framework and the NHMRC Funding Agreement to notify NHMRC in relation to responding to fraud (see Appendix B).

Notifications under the NHMRC Research Integrity and Misconduct Policy - NHMRC receives notifications from Administering Institutions about institutional investigations of potential breaches of the *Australian Code for the Responsible Conduct of Research*, in line with the requirements of the *NHMRC Research Integrity and Misconduct Policy*. Members of the public, peer reviewers and other stakeholders also sometimes raise concerns with NHMRC about research integrity matters or make allegations of research misconduct. NHMRC is not responsible for investigating allegations of research misconduct or potential breaches of the *Australian Code for the Responsible Conduct of Research* but is notified of matters in accordance with the policy. Some breaches may include behaviours that fall within the definition of alleged or suspected fraud or corruption (e.g., data falsification, provision of false or misleading information to NHMRC, misuse of grant funds for a gain). If this occurs, it is reported to the FCCO and considered in accordance with this Framework (see Section 5.5).

Appendix B (NHMRC research funding: responding to fraud) provides additional information about the responsibilities of Administering Institutions and how allegations about potential breaches of the *Australian Code for the Responsible Conduct of Research* may overlap with allegations of potential fraud.

Data mining analysis - Data mining is a process of uncovering patterns and relationships in datasets that are not otherwise apparent. Data mining uses databases to search for accounting anomalies or unusual relationships between numbers, people, and entities. For example, this might include such tests as searching accounts payable data for repeated invoice numbers to identify duplicate payments or analysing payments of claims for milestone payments by grant recipients.

Post-transaction reviews - A review of transactions after they have been processed can be effective in identifying fraudulent activity. Such a review may uncover altered or missing documentation, falsified, or altered authorisation or inadequate documentary support. In addition to the possibility of detecting fraudulent transactions, a review can also have a significant fraud prevention effect as the threat of detection may be enough to deter an employee who would otherwise be motivated to engage in fraudulent or corrupt conduct.

Management accounting reporting review - Using techniques in analysing NHMRC's management accounting reports, trends that may be indicative of fraudulent conduct can be identified and investigated.

External audit- External audit function is an important control in the detection of fraud and corruption, which impacts on the financial statements. The CEO and CFO may consider discussions with the Australian National Audit Office (ANAO) to ensure that due consideration is given by the auditors to their consideration of fraud in the Financial Statements audit.

Information and Communications Technology (ICT) systems audit - NHMRC uses a range of sophisticated software tools to monitor all activities on the NHMRC ICT system. The tools are capable of detecting a range of potentially fraudulent and corrupt behaviours, including misuse of ICT resources and wrongful use of Commonwealth information. ICT systems used to apply for and deliver research funding are also monitored, and particular transactions or modifications are logged and audited.

5. Response

NHMRC takes all allegations of fraud and corruption seriously. The primary objective of NHMRC's response to possible incidents of fraud and corruption is to ensure perpetrators are identified and appropriate remedies are applied, to achieve a deterrent effect and to recover losses.

Consideration of fraud and corruption reports and allegations - All potential fraud and corruption incidents are considered to determine the appropriate response, which may include:

- investigation
- referral to the Australian Federal Police (AFP), National Anti-Corruption Commission (NACC) or Commonwealth Director of Public Prosecutions (CDPP), or
- civil or administrative actions.

Investigations - NHMRC can undertake or commission investigations where the potential fraud or corruption is significant. If the CEO determines that an investigation is required, the following may occur:

- investigation undertaken internally, either with the use of external expert resources or internal resources (the latter only if NHMRC had a qualified official available)
- for potentially serious or complex fraud against the Commonwealth – mandatory referral to the AFP
- for potentially serious or systemic corruption – mandatory referral to the NACC.

Following an investigation, for possible criminal prosecution, the CEO may refer the matter to the Commonwealth Director of Public Prosecutions (CDPP).

If an allegation of fraud or corruption is investigated by NHMRC, the FCCO will be responsible for facilitating the investigation, having regard for the Australian Government Investigations Standard (AGIS), except for those matters referred to the AFP or NACC.

Referrals

Referral to the Australian Federal Police - The AFP has the primary law enforcement responsibility for investigating criminal offences against Commonwealth laws. Under the Commonwealth Fraud and Corruption Control Framework 2024, agencies must refer all instances of potential serious or complex fraud offences to the AFP.

Referral to the National Anti-Corruption Commission - Consistent with the NACC Act, the NACC holds the power to investigate suspected cases of either serious or systemic corruption that involves, or could involve, a public official. Under the NACC Act 'Public Officials' are members of the Australian Parliament and ministers in the Australian Government, and the people who work for them and staff members of Commonwealth agencies including employees of Commonwealth government agencies, Commonwealth companies and statutory bodies and contracted service providers.

NHMRC complies with mandatory referral obligations under the NACC Act to refer conduct that could be either serious or systemic corrupt conduct to the NACC Commissioner.

NHMRC would refer grant corruption matters to NACC, in line with its remit. For corruption matters occurring in most Administering Institutions, NHMRC expects that the AI would refer the matter to their relevant jurisdictional corruption body in accordance with that body's scope and powers.

Referral to the Commonwealth Director of Public Prosecutions (CDPP) - The Office of the Commonwealth Director of Public Prosecutions (CDPP) is an independent prosecution service established to prosecute alleged offences against Commonwealth law. Where an investigation gathers enough evidence to substantiate a criminal charge, NHMRC may refer the matter to the CDPP to consider taking prosecution action.

5.4 Civil and administrative remedies - There are various civil and equity law remedies and administrative processes available to NHMRC to deal with people who engage in unethical or unlawful behaviour (be it fraud, corruption or misconduct).

Internal fraud and corruption

As well as potential prosecution under the Criminal Code, APS officials who commit fraud or corruption are in breach of the APS Code of Conduct. For this internal fraud and corruption, NHMRC may take administrative action under the *Public Service Act 1999*. Remedies available include, but are not limited to:

- reprimand
- suspension from employment
- transfer / reassignment of duties
- demotion
- termination
- penalty
- financial recovery
- counselling
- loss of privileges, and greater scrutiny / increased controls.

External fraud and corruption

For fraud or corruption committed by an external party (that is, external fraud), NHMRC may take action against individual researchers, Administering Institutions, contractors, or other third parties. This may include, but is not limited to:

- recovery, suspension or termination of funding pursuant to a grant agreement or contract
- restrictions from participation in peer review
- restrictions in relation to the receipt of NHMRC funding
- additional requirements and/or monitoring
- other civil remedies.

NHMRC Administering Institutions assist in responding to this risk of fraud and corruption, by reporting and, where relevant, investigating and responding to fraud. Further information, including the overlap between fraud and research misconduct, is at Appendix B.

5.6 Post-incident reviews - At the conclusion of a fraud and corruption investigation, incidents will be reviewed to identify risk, control or program deficiencies. The relevant risk assessment will be reassessed and amended as needed. Similarly, the circumstances that allowed the fraud and corruption to occur will be considered in the context of the wider NHMRC operations, and additional risk assessments conducted or amended as required.

In each instance where fraud and corruption is detected, NHMRC will reassess the adequacy of the internal control environment (particularly those controls directly impacting on the fraud and corruption incident and potentially allowing it to occur) and consider whether improvements are required.

In addition, for internal fraud or corruption, exit interviews and exit checklist procedures should be performed in the event of dismissal from NHMRC for fraud, corruption or misconduct. This is necessary to ensure those factors that contribute to the dismissal can be managed as a process of mitigating fraud and corruption risk.

5.7 Insurance - NHMRC will continue to maintain annual insurance policies issued through Comcover.

5.8 Crisis and media management - NHMRC is committed to preserving its reputation in the event of a fraud or corruption allegation concerning NHMRC entering the public domain. Should fraud and corruption be detected, the FCCO, in conjunction with the CEO, should assess communication needs in relation to the fraud and corruption. This may involve notifying the Minister if it is a significant fraud or corruption event and undertaking communication activities with the research sector, parliament or media, as appropriate. Where external investigative agencies are involved, NHMRC will consult those agencies in relation to the communication activities.

In all other circumstances, the receipt of a fraud or corruption allegation, or conduct of a fraud or corruption investigation, will be treated in confidence to ensure procedural fairness and the integrity of the investigation.

5.9 Reporting - Regular reporting and monitoring provides assurance over the effectiveness of NHMRC's control arrangements in preventing, detecting and responding to fraud or corruption.

NHMRC's reporting includes:

- internal reporting – at least annually to NHMRC's Audit and Risk Committee and Executive Board, and more regularly as needed, and
- external reporting – annually to the Australian Institute of Criminology (AIC) and annual certification of fraud control arrangements in the Annual Report.

6. Recording-keeping

All NHMRC fraud and corruption management activities are recorded according to NHMRC record-keeping policies and procedures, ensuring appropriate security classification is applied to fraud and corruption-related documents which may contain personal or sensitive material.

7. How to report suspected fraud or corruption

NHMRC staff, committee members, contractors and Administering Institutions must report incidents of suspected fraud and corruption. Reports remain confidential. NHMRC also provides for anonymous reporting and supports the PID scheme to offer further protections and support.

Allegations or suspicions of fraud and corruption should be reported as soon as practicable.

The details below show the ways that suspected fraud or corruption can be reported.

7.1 Reporting if you are staff or a contractor

Staff wanting to report suspected fraud or corruption can discuss the matter with their manager in the first instance. If you do not wish to report to your manager, then please use one of the following means of alerting the Fraud and Corruption Control Officer.

- Phone: Call the Fraud and Corruption Control Officer (see intranet for contact details)
- Email: Complete the Fraud and Corruption Incident Report (Appendix Ai) and email it to governance@nhmrc.gov.au

If you do not feel comfortable with these channels, you can make a Public Interest Disclosure

- Email: publicinterestdisclosure@nhmrc.gov.au
- Mail: GPO Box 1421, CANBERRA ACT 2601 – envelope should be marked – 'Confidential - NHMRC PID'
- Phone: ring one of the Authorised Officers.

Or you can make an Anonymous tip-off online via the Contact Us page (navigate to the Contact Form and select 'Complaints and reports' then 'Anonymous report').

7.2 Reporting as a member of the community

If you would like to report an instance (or suspicion) of fraud or corruption at NHMRC or concerning NHMRC funding, please use one of the following methods:

- Email: Complete the Fraud and Corruption Incident Report (Appendix Aii) and email it to governance@nhmrc.gov.au OR
- Phone: Call (02) 6217 9000 and ask to be transferred to the Fraud and Corruption Control Officer OR
- Mail: GPO Box 1421, CANBERRA ACT 2601. Envelope should be marked – 'Confidential - NHMRC PID'

Anonymous tip-offs can be made online via Contact Us (navigate to the Contact Form and select 'Complaints and reports' then 'Anonymous report').

7.3 How NHMRC will manage a report of fraud or corruption

Reports of suspected fraud or corruption are carefully considered and treated as strictly confidential. Reports will be assessed by NHMRC and investigated as appropriate, which may involve referral to agencies such as the Australian Federal Police or the National Anti-Corruption Commission (NACC).

Due to a range of reasons, including confidentiality, privacy obligations and maintaining the integrity of the investigation, feedback or the outcome of NHMRCs assessment may not be provided to the individual making the report. In particular, please note that if the allegation involves another individual, NHMRC may not be able to give you any information about the conduct or outcome of the investigation due to its obligations under the *Privacy Act 1988*.

8. Fraud and Corruption Control Officer (FCCO)

The NHMRC FCCO is the Director, Governance and Legal. To contact the FCCO, please email governance@nhmrc.gov.au.

Support for this function is provided by the Governance and Legal Section.

Appendix Ai: Fraud and/or Corruption Incident Report for NHMRC staff

To be completed for allegations of fraud, corruption or misconduct reported to the Fraud and Corruption Control Officer (FCCO).

All officials have a responsibility to report any concern, suspicion, or information of any suspicion of fraudulent or corrupt conduct and encourage others to do the same. This includes all actions that may appear or may be an attempt to dishonestly obtain a benefit or cause a loss, by deception or other means.

Date report completed:	
Details of person making report (If the report originally came from an external party, include details of the external party as well as the NHMRC staff member completing this form) **Note you can report anonymously by leaving this field blank, however this may make further investigation difficult, as we will not be able to contact you if we need further information.**	

Allegation

Date/s of alleged activity	
Details of person/s potentially involved in alleged activity (name/s, contact details etc.)	
Allegation (Include details of the concern, suspicion, or information relating to potentially fraudulent or corrupt conduct. Include how the incident/conduct was detected. Specify when and where the matter occurred, if known)	
Further comments from person making report (Include sensitivities, if any)	

Appendix Aii: Fraud and/or Corruption Incident Report for external stakeholders

Please provide the following information to the best of your knowledge.

Date:	
Name of person making report*:	
Contact details (email)*:	
Contact details (phone)*:	
Contact details (address)*:	

*Note you can report anonymously by leaving these fields blank, however this may make further investigation difficult, as we will not be able to contact you if we need further information.

Allegation

Date/s of alleged activity	
Details of person/s potentially involved in alleged activity (name/s, contact details etc.)	
Allegation (Include details of the concern, suspicion, or information relating to potentially fraudulent or corrupt conduct. Include how the incident/conduct was detected. Specify when and where the matter occurred, if known)	
Further comments (Include sensitivities, if any)	

Appendix B: NHMRC research funding – responding to fraud

NHMRC is the Australian Government's key entity for managing investment in, and the integrity of, health and medical research. NHMRC funds high-quality research and researchers to help achieve our mission of building a healthy Australia. NHMRC expects the highest levels of research conduct and integrity to be observed in the research that it funds, and all NHMRC-funded researchers are expected to act responsibly and with honesty and integrity.

NHMRC is serious about preventing, detecting and responding to fraud, and NHMRC's grantees (NHMRC Administering Institutions) have obligations in relation to responding to fraud relating to NHMRC-funded research activity. These include the following obligations under NHMRC's 2026 Funding Agreement:

- *Prevention and detection* – Administering Institutions must take reasonable measures to prevent and detect, as well as investigate as appropriate, fraud in relation to the NHMRC-funded research activity or the NHMRC Funding Agreement.
- *Reporting* – Administering Institutions must:
  - if they become aware of any fraud (alleged, attempted, suspected, detected) in relation to the performance of the research activity, notify NHMRC within five business days of becoming aware of it
  - report back to NHMRC on the outcomes of their consideration of such alleged/suspected/detected fraud, including any investigation, in order for NHMRC to determine if further action is required.
  - report the matter to appropriate law enforcement/regulatory agencies in accordance with relevant Commonwealth or state or territory legislation.
- *Investigations* – Where an Administering Institution conducts a fraud investigation in relation to the performance of a grant activity, it must ensure that it is in accordance with the AGIS (Australian Government Investigations Standards | Attorney-General's Department). This includes the investigator being appropriately qualified.

In addition to reports from Administering Institutions, NHMRC may receive reports of alleged or suspected fraud from other organisations or persons, including allegations made anonymously. In those cases, we may ask the relevant Administering Institution to consider the allegation and report back on its consideration/investigation.

NHMRC understands that, as fraud is a hidden crime, it may become apparent during other processes, and that how a matter is managed may change depending on the stage of a process and as further information becomes available.

Fraud and research integrity

As outlined in section 4 of NHMRC's Fraud and Corruption Control Framework, NHMRC Administering Institutions are also required under the Funding Agreement to provide NHMRC with information relating to actual or alleged breaches of the Australian Code for the Responsible Conduct of Research, and to manage those cases in line with the requirements of the NHMRC Research integrity and misconduct policy | NHMRC.

Some allegations about potential breaches of the Australian Code for the Responsible Conduct of Research may overlap with potential fraud or corruption. For example, where:

- falsified data were used in a grant application
- research grant funds have not been used for the purposes of the funded research (e.g., they are used for personal purposes)
- researchers appointed to peer review panels deliberately disadvantage applications during the peer review process or use the information gained in that capacity for their own benefit.

Note that for the purposes of reporting, NHMRC considers corrupt conduct to be a form of disreputable conduct, managed under the NHMRC Research Integrity and Misconduct Policy.

The Fraud and Corruption Control Framework should therefore be read in conjunction with the NHMRC Research integrity and misconduct policy | NHMRC.

An overlap between potential fraud and a breach of the Australian Code for the Responsible Conduct of Research may be apparent from the beginning or may become apparent during the process of conducting a preliminary assessment or investigation into a research misconduct allegation. Where an Administering Institution has notified NHMRC of a potential breach of the Code that may include fraud, NHMRC will also consider the matter under the Fraud and Corruption Control Framework. In these situations, NHMRC will consider how to best manage the matter, to avoid unnecessary administrative burden.

As outlined in this Fraud and Corruption Control Framework, there may be a number of responses to fraud (including alleged, suspected, detected or substantiated). For example, depending on the circumstances, NHMRC could:

- defer further consideration of alleged or suspected fraud until after a preliminary assessment has been conducted for a possible breach of the Code
- request additional information from the Administering Institution or individual researchers, or progress reports, while awaiting the outcome of a preliminary assessment or investigation
- manage as non-compliance under the NHMRC Funding Agreement
- determine that no further action is warranted, if satisfied with actions already taken in response to a potential breach of the Code (e.g., precautionary and/or consequential actions) or, alternatively, determine that further action is warranted although the Code has not been breached
- impose precautionary or consequential actions, where warranted, such as suspension of funds or recovery of funds
- request regular reports on the progress of any investigation if such reports are not already being provided through a process under the NHMRC Research integrity and misconduct policy
- request the AI consider the matter under their fraud control framework, including conducting a fraud investigation.
- refer the matter to external bodies, e.g., AFP or NACC.

For further information about responding to fraud, see Section 5 of this Framework.

Information-sharing to prevent and respond to fraud

As outlined in section 2.2 of the Fraud and Corruption Control Framework, and in accordance with NHMRC's obligations to protect against fraud and corruption, where other Australian Government agencies are affected or likely to be affected by a fraud or corruption matter, NHMRC may share information with those agencies, in accordance with its lawful obligations relating to the disclosure or use of information.

Reporting possible fraud relating to the Medical Research Future Fund (MRFF)

The Department of Health, Disability and Ageing is responsible for considering reports of fraud that occurs in Eligible Organisations or participating institutions with respect to MRFF grants. Institutions must report to NHMRC any fraud related to MRFF-funded grants administered by NHMRC. Where you inform NHMRC of reports of fraud with respect to MRFF grants, it will advise the Department of Health, Disability and Ageing.

Where a matter may involve both NHMRC and the Department (e.g. the fraud matter relates to both MREA and MRFF grants), the two agencies may liaise as appropriate. Within the Department, suspected fraud is managed by its central fraud investigation function in accordance with departmental processes.

Appendix Bi: Fraud Notification under the Funding Agreement

Under the Funding Agreement, if an Administering Institution (AI) becomes aware of any fraud (alleged, attempted, suspected, detected) in relation to, or which has or may influence, the performance of research activity, then the Administering Institution **must** notify NHMRC within five working days.

AIs can fulfil this obligation by completing this form and emailing it to governance@nhmrc.gov.au

Note: AIs may also report this matter under the *NHMRC Research Integrity and Misconduct Policy*, where the matter is primarily an allegation of research misconduct that includes some element of fraud (noting that if they choose this option, they must still report within five days).

When considering whether a notification is required, please consider the definition of fraud under the Funding Agreement is:

> *dishonestly obtaining a benefit, or causing a loss, by deception or other means, and includes, alleged, attempted, suspected or detected fraud*.

Further note, fraud involves intent, rather than carelessness, accident or error.

Notification Details

Date of notification:	
Name and position of person making the notification:	
Contact details	(email): (phone):
NHMRC funding	List any NHMRC grant IDs and funding type (i.e. Ideas Grant, etc.) that may (potentially) be impacted
Details of person/s potentially involved in alleged activity	Include role(s) on NHMRC funded research (if applicable)
Allegation	Please provide details of the concern, suspicion, or information relating to fraudulent conduct. Include information about how the incident/conduct was detected, and when the activity is alleged to have occurred. Please provide sufficient details to allow NHMRC to understand the matter.
Further comments (optional)	If known, information here could include details such as management strategies, proposed next steps including any possible referrals, anticipated timelines, or sensitivities. This section can be left blank if further information is unavailable at the time of notification.

Notes:

- NHMRC will require copies of the findings of any enquiries or investigation, at the completion of processes.
- To the extent possible and noting NHMRC's obligations to inform the Department of Health, Disability and Ageing about allegations relating to MRFF matters, information provided to NHMRC about fraud matters will be treated by NHMRC as confidential. NHMRC officers are bound by the *Public Service Act 1999* (including the Australian Public Service Code of Conduct) and Regulations, and the *Criminal Code Act 1995*. All files related to fraud matters are stored securely and only a small number of officers will have access to this information, on a need-to-know basis.