

## FRAUD AND CORRUPTION PREVENTION POLICY

### *INTENT*

The purpose of this policy is to set out the organisational requirements to prevent, detect, respond to and report fraud and corruption.

### *SCOPE*

This policy applies to any fraud or corruption, or suspect fraud or corruption, involving Council employees, Councillors, contractors, consultants, volunteers, suppliers or any other party dealing with Cook Shire Council.

### *DEFINITIONS*

TERM	DEFINITION
<b>Corruption Conduct</b>	<p>Conduct that involves the exercise of a person's official powers in a way that:</p> <ul style="list-style-type: none"> <li>• Is not honest or impartial; or</li> <li>• Involves a breach of trust placed in the person as a public officer, either knowingly or recklessly; or</li> <li>• Involves a misuse of Council assets, materials or information; and is for the purposes of providing a benefit to the person or another person or causing a detriment to another person;</li> <li>• Would, if proven constitute a criminal offence or is serious enough to justify a dismissal.</li> </ul>
<b>False Disclosure</b>	<p>Disclosure of information relating to fraud or corruption that is made by a person who knows the information to be false or, who is reckless as to whether it is false.</p>
<b>Fraud</b>	<p>Is the misappropriation of assets, cash or property, through deliberate</p>

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TERM	DEFINITION
	deception.
<b>Public Officer</b>	Includes: <ul style="list-style-type: none"> <li>• A Council member</li> <li>• A member of a Local Government body (including a subsidiary of a Council established under the Local Government Act 2009)</li> <li>• An employee or officer of the Council</li> </ul>
<b>Public Interest Disclosure</b>	A disclosure made under the <i>Public Interest Disclosure Act 2010</i> (PID Act) and includes all information and help given by the discloser to the proper authority for the disclosure.
<b>Risk</b>	The effect of uncertainty on objectives in consideration of fraud and corruption risk. This will generally be a negative impact.

## ***POLICY OBJECTIVE***

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The policy objective is to:

- Protect Council's assets and reputation
- Ensure a sound ethical culture of the Council
- Ensure senior management commitment to identify fraud risk exposures and establish procedures for prevention and detection
- Ensure Councillors and staff are aware of their responsibilities in relation to ethical conduct.

The policy outlines the appropriate actions that must be followed to increase the awareness of, and the investigation of, fraud.

## ***INTRODUCTION***

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Fraud is an intentional dishonest act or omission done with the purpose of deceiving, causing actual or potential financial loss to any person or entity. It includes theft of monies or other property by employees or persons external to the entity.

This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position.

Corruption is a dishonest activity in which a Councillor, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her

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position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

## ***POLICY STATEMENT***

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Council is committed to the control and elimination of all forms of fraud and corruption, and to create an ethical environment and culture that discourages and prevents fraud. Council has zero tolerance to activities related to fraud and corruption.

All staff are responsible for the prevention and detection of fraud and corruption and must comply with the Council’s Fraud Policy and Fraud Control Plan.

All allegations and suspicions of fraud will receive attention. All substantiated cases will be dealt with appropriately either by criminal, disciplinary or administrative mechanisms suitable to the particular case (having due regard for the rights of all persons, including any person reporting a fraud and of any alleged perpetrator of fraud).

## ***FRAUD AND CORRUPTION FRAMEWORK***

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Council acknowledges that the Fraud Policy and accompanying Fraud Control Plan must be in place and address the ten elements of effective fraud control, identified in the Crime and Corruption Commission’s publication, Fraud and Corruption Control: Guidelines for Best Practice (2005).

The ten elements are:

- i. A clear and integrated suite of relevant policies
- ii. Effective and continuing fraud and corruption risk management
- iii. Internal controls with clear accountability and responsibility structures
- iv. Effective internal reporting systems and procedures
- v. An effective system of external notification and reporting
- vi. Robust public interest disclosure mechanisms
- vii. A clear Code of Conduct and disciplinary standards
- viii. Comprehensive staff awareness and appropriate training programs
- ix. Competent investigation processes and standards
- x. Effective stakeholder and community awareness programs

## ***RISK ASSESSMENT***

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Council will undertake a fraud and corruption risk assessment at least every two years. After each review, Council will update its Fraud Control Plan.

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## **INTERNAL CONTROLS**

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Council will maintain an internal control structure to minimise exposure to fraud and corruption. The primary mechanism for this control will be Council's Internal Control Framework, operating in conjunction with established audit and financial management practices.

## **REPORTING**

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Staff must report any concerns or suspicions that they have about fraudulent or corrupt activity to their immediate Supervisor. If the staff member believes that the Supervisor may be involved in the activity, then the report must be made to a more senior person or to the Director of Corporate Services.

Concerns and suspicions must be reported as soon as possible. An employee must not attempt to investigate the matter himself/herself.

Council must ensure that any report of suspected fraud or corrupt activity is treated confidentially to the fullest extent possible under the law.

## **INVESTIGATION**

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As required by law, Council will investigate or otherwise formally enquire into all instances of suspected fraudulent or corrupt conduct exposed as a result of receiving an allegation or detecting fraudulent or corrupt activities.

Investigations must be in accordance with the rules of procedural fairness or natural justice.

Appropriate actions will follow these investigations, including where applicable actions to recover money or other property should a cost benefit analysis justify such action.

## **EXTERNAL REPORTING**

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This includes reporting of fraud and recovery of proceeds of fraudulent activity to the Queensland Audit Office (QAO), Crime and Corruption Commission (CCC) and the Queensland Police Service.

By law, the Chief Executive Officer must report all allegations of fraudulent or corrupt conduct to the CCC, and the QAO as appropriate.

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## **PUBLIC INTEREST DISCLOSURE**

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Council acknowledges that under the Public Interest Disclosure Act 2010, it has obligations to any person who makes a public interest disclosure. These obligations may extend to a person who discloses fraud or corruption.

## **KEY RESPONSIBILITIES**

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<b>RESPONSIBLE OFFICER</b>	<b>RESPONSIBILITY</b>
<b>Executive Leadership Team</b>	To proactively lead the organisation with high levels of transparency and accountability to instil an environment where staff feel protected to report any reasonable suspicion of fraud and corruption.
<b>Manager Governance and Risk</b>	To support the Executive Leadership Team in: <ul style="list-style-type: none"><li>• providing assistance to all staff to mitigate the risks of fraud and corruption in the organisation; and</li><li>• developing a culture of zero tolerance in regards to fraud and corruption.</li></ul>
<b>All Staff</b>	To act within the public interest and comply with requirements of this policy.

## **REFERENCES, LEGISLATION AND GUIDELINES**

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*Crime and Corruption Act 2001*

*Criminal Code Act 1899*

*Integrity Act 2009*

*Local Government Act 2009*

*Local Government Regulation 2012*

*Public Interest Disclosure Act 2010*

*Public Sector Ethics Act 1994*

*Right to Information Act 2009*

## **RELATED DOCUMENTS**

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Australian Standard, AS 8001-2008 - Fraud and Corruption Control

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CCC – Fraud and Corruption Control Best Practice Guide March 2018  
 Qld Audit Office Report 19: 2014-15 – Fraud Management in Local Government  
 Audit and Risk Committee Charter  
 Code of Conduct for Councillors  
 Code of Conduct for Employees  
 Complaints Management Process Policy  
 Fraud and Corruption Control Plan  
 Internal Audit Policy  
 Public Interest Disclosure Policy  
 Risk Management Policy  
 Risk Management Framework

## ***IMPLEMENTATION/COMMUNICATION***

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Upon adoption, this policy will be posted on Council’s website.

Directors and Managers are to ensure that the contents of this policy are communicated to all staff through team meetings.

## ***APPROVED BY***

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Council resolution

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## **REVIEW**

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<b>SPONSOR:</b>	Director Organisational Business Services
<b>OFFICER RESPONSIBLE FOR REVIEW:</b>	Manager Governance and Risk
<b>ADOPTION DATE:</b>	20 February 2020
<b>REVIEW DATE:</b>	February 2025

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***THIS POLICY IS TO REMAIN IN FORCE UNTIL OTHERWISE DETERMINED BY COUNCIL***

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## **AMENDMENT HISTORY**

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<b>VERSION</b>	<b>AMENDMENT DETAILS</b>	<b>AMENDMENT DATE</b>	<b>APPROVAL</b>
V2	New revision	March 2018	Council

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