

Fraud and Corruption Prevention Policy

Policy Details

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Policy Owner	Director Corporate Services
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Supporting documentation

Legislation	<ul style="list-style-type: none"> • <i>Crime and Corruption Act 2001</i> • <i>Criminal Code Act 1899</i> • <i>Integrity Act 2009</i> • <i>Local Government Act 2009</i> • <i>Local Government Regulation 2012</i> • <i>Public Interest Disclosure Act 2010</i> • <i>Public Sector Ethics Act 1994</i> • <i>Right to Information Act 2009</i>
Policies	<ul style="list-style-type: none"> • Code of Conduct for Employees • Code of Conduct for Councillors • Risk Management Policy • Risk Management Guidelines • Complaints Management Process Policy
Delegations	<ul style="list-style-type: none"> • Nil
Forms	<ul style="list-style-type: none"> • Nil
Supporting Documents	<ul style="list-style-type: none"> • Crime and Corruption Commission – Fraud and Corruption Control Best Practice Guide • Fraud and Corruption Control Plan

Version History:

Version	Adopted	Comment	eDRMS #
1	17/06/2015	Council Resolution 0615/008	
2	26/02/2020	Council Resolution 0220/018	
3	15/06/2022	Council Resolution 0622/016	

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Intent

This policy defines Carpentaria Shire Council's position in relation to fraud and corruption, by:

- Acknowledging Council's obligations as a public sector entity to eradicate all instances of fraudulent and corrupt activities through appropriate control measures; and
- Establishing Council's commitment to the promotion and proper management of the fraud and corruption management framework.

Scope

This policy applies to all Councillors, Council employees, contractors and volunteers.

Policy Objective

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

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

Policy Statement

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 Management Framework

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

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

Internal Controls

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

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

As statutorily required, 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

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.

Public Interest Disclosure

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.

Definitions

TERM	DEFINITION
Corrupt Conduct	Conduct that involves the exercise of a person's official powers in a way that: <ul style="list-style-type: none"> • Is not honest or impartial; or • Involves a breach of trust placed in the person as a public officer, either knowingly or recklessly; or • 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;

TERM	DEFINITION
	<ul style="list-style-type: none"> • Would, if proven constitute a criminal offence or is serious enough to justify a dismissal.
False Disclosure	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
Fraud	Is the misappropriation of assets, cash or property, through deliberate deception.
Public officer	Includes: <ul style="list-style-type: none"> • A Council member • A member of a Local Government body (including a subsidiary of a Council established under the Local Government Act 2009) • An employee or officer of the Council
Public Interest Disclosure	A disclosure made under the Public Interest Disclosure Act 2010 (PID Act) and includes all information and help given by the discloser to the proper authority for the disclosure.
Risk	The effect of uncertainty on objectives in consideration of fraud and corruption risk. This will generally be a negative impact.

Adopted by Council 15th June 2022 by Resolution 0622/016

Mark Crawley
Chief Executive Officer