



Policy Title: **FRAUD AND CORRUPTION
PREVENTION POLICY**

Policy Type: **ADMINISTRATIVE**
(Statutory, Financial, Administrative, Human Resources)

Policy Number: **A009**

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Implementation Department		Officer Name	
Corporate Services		Director Corporate Services	
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1.0 Scope

The Policy applies to any fraud or corruption, or suspect fraud or corruption, involving Council employees, Councilors, contractors, consultants, volunteers, vendors or any other party dealing with Aurukun Shire Council (Council)

2.0 Purpose

The purpose of this Policy is to set out the organizational requirements to prevent, detect, respond to and report fraud and corruption at Council.

3.0 Reference

- Crime & Corruption Act 2001
- Public Interest Disclosure Act 2010
- Local Government Act 2009
- Criminal Code Act 1899
- Public Sector Ethics Act 1994
- Code of Conduct

4.0 Definitions

To assist in interpretation the following definitions shall apply:

Corruption has the same meaning as “corrupt conduct” under the Crime and Corruption Act being conduct of a person, regardless of whether the person holds or held an appointment, that:

- a) Adversely affects, or could adversely affect, directly or indirectly, the performance of functions or the exercise of powers of –
 - I. A unit of public administration; or
 - II. A person holding an appointment; and
- b) Results, or could result, directly or indirectly, in the performance of functions or the exercise of powers mentioned in paragraph (a) in a way that –
 - I. Is not honest or is not impartial; or
 - II. Involves a breach of the trust place in a person holding an appointment, either knowingly or recklessly; or
 - III. Involves a misuse of information or material acquired in or in connection with the performance of functions or the exercise of powers of a person holding an appointment.
- c) Is engaged in for the purpose of providing a benefit to the person or another person or causing a detriment to another person; and

d) Would, if proved, be –

- I. A criminal offence; or
- II. A disciplinary breach providing reasonable grounds for termination the person's services, if the person is or were the holder of an appointment.

Corrupt conduct may include, but is not limited to:

- a) Abuse of public office;
- b) Bribery, including bribery relating to an election;
- c) Extortion obtaining or offering a secret commission;
- d) Obtaining or offering a secret commission;
- e) Fraud;
- f) Stealing;
- g) Forger;
- h) Perverting the course of justice;
- i) An offence relating to an electoral donation;
- j) Loss of revenue of the State.

Council shall mean Aurukun Shire Council (ASC).

Fraud shall mean a deliberate deception to facilitate or conceal the misappropriation of assets or the taking of an unlawful advantage or benefit.

Fraud may include but is not limited to:

- Theft;
- Obtaining property, a financial advantage or any other benefit by deception
- Causing a loss, avoiding or obtaining a benefit by deception;
- Knowingly providing false or misleading information to Council, or failing to provide information where there is an obligation to do so;
- A breach of trust in the performance of official duties, by which an employee or Councilor acts contrary to the interests of Council in order to achieve some personal gain or advantage for themselves or for another person or entity.
- Using forged or falsified documentation for an improper purpose;
- Deliberate misstatement of accounting information for an improper purpose

Council Officers/Employees shall mean all elected Councilors, all persons employed by Council on a permanent, temporary or casual basis and includes persons engaged under a contract of service, and volunteers.

5.0 Background

Council recognizes that fraud and corruption management is an integral part of good governance and management practice. This Policy is intended to implement and maintain controls which will aid in the prevention, reduction and detection of fraud and corruption.

It is essential for Council to have an efficient and effective system to manage its resources appropriately and to establish an effective fraud and corruption prevention framework to prevent, detect and respond to fraud and corruption and to assist Council, Management and employees to promote professional integrity and ethical behavior is outlined in Council's Code of Conduct.

6.0 Policy Statement

Council is committed to the detection and prevention of all forms of fraud and corruption and to the creation of an ethical culture and environment that discourages and prevents fraud and corruption. Council is committed to:

- A zero tolerance approach to fraud and corruption. Fraudulent or corrupt activities will not be tolerated;
- Fraud and corruption control and management as an integral component of effective corporate governance;
- Transparent and accountable processes consistent with sound business practices and organizational standards of compliance;
- Preventing fraud and corruption whilst investigating any suspected incidents and taking appropriate action;
- Establishing and maintain a Fraud & Corruption Prevention Framework to minimize the impact and reduce the incidence of fraud and corruption within the work environment.

All Council employees must act with integrity in accordance with Council's Code of Conduct and are responsible for the prevention and detection of fraud.

Any allegation or suspicion of fraud or corruption will be investigated appropriately in accordance with the requirements of the particular case (i.e. criminal, disciplinary or administrative mechanisms).

6.1 Responsibility

Council's Chief Executive Officer has the responsibility to ensure compliance with this Policy and to ensure that all employees are aware of the requirement to conduct their duties in a professional and ethical manner. The Chief Executive Officer is also responsible for ensuring legislative obligations in relation to reporting and investigating fraud and corruption matters are met.

Council's Directors are responsible for setting the ethical tone for Council, consistent with the values and ethical principles of the Public Sector Ethics Act 1994 and Council's Code of Conduct. Directors shall ensure that Council has in place appropriate measures and resources to deal with allegations of fraud and corruption and to prevent and deter instances of fraudulent or corrupt conduct and that Council operations are undertaken with integrity, honest and transparency.

Council Managers are responsible for the implementation of systems and processes that integrate fraud and corruption prevention strategies into their day to day business processes.

Council's Director of Corporate Services is responsible for coordinating the reporting and investigation of all fraud and corruption allegations. Information about the incidents, trends and improvements will be reported to the Management Team and Council on a regular basis.

The Management Team has the responsibility of reviewing and making recommendations to either the Council or Chief Executive Officer regarding:

- Monitoring whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for effective identification, assessment and management of key business and financial risks, including fraud and corruption risks.
- Monitoring the process of developing and implementing fraud and corruption control arrangements including mechanism to prevent, detect and effectively respond to fraud and corruption;
- Considering reports on fraud and corruption that outline and identify allegations of fraud and corruption, the status of any ongoing investigations and any changes to the identified fraud and corruption risk profile.

Council's Chief Executive Officer will provide the Directors advice about employee conduct and obligations and employer responsibilities. The Chief Executive Officer will also liaise with Directors with respect to the coordination of investigations regarding fraud and corruption matters as they relate to breaches of Council's Code of Conduct.

All Council Employees have an obligation to understand and adhere to Council's Code of Conduct. The Code of Conduct outlines the expected standard of behavior of all employees and Council's commitment to build a positive workplace culture. This will result in an understanding as to what constitutes acceptable behavior and unacceptable behavior and will encourage action and notification of practices suspected of being fraudulent or corrupt.

6.2 Guiding Principles

Council will establish an environment in which fraud and corruption is not tolerated and will demonstrate a commitment to the rigorous management of fraud and corruption risk through appropriate procedures for reporting and investigation.

The aim of this Policy and associated documentation is to:

- Avoid any incidence of fraud and corruption;
- Minimize opportunities for fraud and corruption through effective internal controls, Awareness and appropriate supervision;
- Encourage ethical dealings at all levels of Council;
- Ensure compliance with legal and statutory obligations; and
- Prevent any financial or reputational damage to Council.

6.3 Risk Assessments

Fraud and corruption risk assessments assist Council in identifying areas that have the potential to involve instances of fraud and/or corruption. Council will undertake fraud and corruption risk assessments when required which will be reported to Council.

6.4 Internal Controls

Council commits to maintaining a strong internal control system and promotes and monitors the use of effective internal controls.

Effective internal controls will continue to be developed and maintained through the cooperation of multiple work areas within the organization including the Governance, Internal Audit and Finance programs.

6.5 Internal Reporting

As per Council's Code of Conduct, Council employees who know or have good reason to suspect any fraudulent, corrupt, criminal or unethical conduct must report it immediately.

Council encourages the reporting of any concerns or suspicions about fraudulent or corrupt activity to:

- The Mayor; or
- The Chief Executive Officer (or his delegate); or
- A Director, Executive Manager, Executive Officer, Chief Accountant or Supervisor.
- Any Manager, Coordinator or Supervisor

All reports of alleged fraud and corruption will be treated with full confidentiality possible under the law.

The Chief Executive Officer (or his/ her delegate) has a specific role in determining how the alleged conduct is to be investigated and ultimately addressed, particularly if further investigation is required through an external agency

6.6 External Reporting

In Queensland's public sector there are a number of independent agencies which are responsible for promoting good governance, accountability and integrity and that provide law enforcement:

- The Crime and Corruption Commission;
- The Queensland Audit Office;
- The Queensland Ombudsman;
- The Queensland Police Service.

The Director of Corporate Services is Council's delegated contact officer for reporting of any fraudulent or corruption conduct to the appropriate agency.

6.7 Investigations

The Director of Corporate Services, under the direction of the Chief Executive Officer, will coordinate the investigation in relation to any fraudulent or corrupt conduct to ensure that the appropriate processes have been adhered to.

6.8 Review of Policy

This policy will be reviewed when any of the following occur:

1. The related documents are amended or replaced.
2. Other circumstances as determined from time to time by a resolution of Council

Notwithstanding the above, this policy is to be reviewed at intervals of no more than two years.

DELEGATION: Authority in respect of this Policy is hereby delegated to the Chief Executive Officer.