

**#1 Draft Fraud and Corruption Control Policy - 2150-031**



Policy: 2150-031

**Fraud and Corruption Control Policy**

**Head of Power**

Local Government Act 2009  
Local Government Regulation 2012

**Related Legislation**

Crime and Corruption Act 2001 (CCA)  
Criminal Code Act 1899  
Public Interest Disclosure Act 2010  
Human Rights Act 2019

**Objective**

The objective of this Policy is to outline Council's commitment to a holistic, robust and consistent approach to the prevention and management of fraud and corruption; and embedding an integrity culture where ethical conduct is recognised and valued at all levels throughout the organisation.

**Definitions**

**CEO** means the Chief Executive Officer of Moreton Bay Regional Council.

**Corrupt Conduct** is defined under Section 15 of the CCA. Broadly, corrupt conduct is conduct by anyone that adversely affects, directly or indirectly, a public agency or public official so that the performance of their functions or the exercise of their powers:

- is not honest or impartial; or
- knowingly or recklessly breaches public trust; or
- involves the misuse of agency-related information or material.

Corrupt conduct would, if proved, constitute a criminal offence or a disciplinary breach providing grounds for dismissal. It includes an attempt or a conspiracy to engage in the conduct, as well as neglect, failure or inaction that adversely affects a public agency or official in the ways described above.

**Councillors** mean the Mayor and Councillors of the Moreton Bay Regional Council.

**Employees** mean all employees of Council, whether employed on a permanent, temporary, or part-time basis and includes volunteers and contractors.

**Fraud** means obtaining a benefit, financial or otherwise, and/or to cause a loss to Council through deceitful or dishonest conduct.

**Material Loss**, for an asset, means:

- for money - a loss of more than \$500; or
- for any other asset - a loss valued by the CEO at more than \$1,000.

**Reportable Loss**, for an asset, means a loss resulting from:

- the commission of an offence (the act of doing or perpetrating an offence) under the Criminal Code or another Act, or
- the corrupt conduct of a Councillor or employee.



Policy: 2150-031 - Fraud and Corruption Control Policy

### Application

This policy applies to all Councillors and Council employees.

### Policy Statement

Fraud and corruption control and management is an essential part of good corporate governance and risk management. Fraud and corruption can expose Council to significant financial loss and harm Council's credibility. It can also adversely affect the public's confidence in Council and its operations, and Council's relationships with internal and external stakeholders.

Council recognises its responsibility to protect public resources and assets from fraud and corruption and to ensure that decisions and actions are free from any corruption. Council has a zero tolerance for corrupt conduct, fraudulent activities or maladministration in line with its Employee Code of Conduct and risk appetite statement. Therefore, Council is committed to:

- Adopting a best practice fraud management approach that emphasises *prevention, detection and response* strategies and addresses the ten-components outlined in the Queensland Crime and Corruption Commission - Fraud and Corruption Control Best Practice Guide 2018.
- Maintaining an effective governance system and clarity of roles and responsibilities at all levels of the organisation in relation to fraud and corruption control;
- Developing a Fraud and Corruption Prevention Plan that outlines the specific fraud and corruption control processes, actions, responsibilities and timelines that is reviewed annually;
- Taking an integrated and consistent risk management approach, ensuring fraud and corruption risk assessment forms part of the organisation's enterprise risk management strategies;
- Developing and implementing strong and effective internal control mechanisms as the first line of defence against fraud;
- Creating an ethical culture through enhanced awareness, education, training, communication and reporting of fraud risk;
- Establishing a supportive reporting environment where employees are encouraged to report suspected cases of fraud and corruption;
- Investigating or otherwise formally enquiring into all allegations and suspicions of fraud or corruption in accordance with the requirements of the particular case;
- Quantifying fraud losses and maximising the recovery of losses, including pursuing all reasonable avenues, including civil legal action; and
- Creating awareness in the community of Council's zero tolerance towards fraud and corruption.

Council will dismiss an allegation about suspected fraud or corruption if it is assessed as malicious, frivolous, vexatious or not made in good faith.

### Roles and Responsibilities

All Council employees and Councillors have a shared responsibility and obligation to report any suspected or known incidents of fraud and corruption immediately. Council has established a Whistleblower Hotline to encourage employees to make reports.

Council will provide support to an employee or others who make disclosures about matters in the public interest. Reprisals against employees for reporting fraud or corruption will not be tolerated.

Council expects everyone in the organisation to assist in preventing fraud and corruption by:

- Understanding the responsibilities of their position;
- Understanding the behaviour that constitutes fraud and corrupt conduct;
- Understanding and adhering to the law, code of conduct, and other policies, procedures and operational directives;



Policy: 2150-031 - Fraud and Corruption Control Policy

- Maintaining an awareness of Council's control strategies to minimise fraud and corruption; and
- Being continuously vigilant to the potential for fraud or corruption to occur.

Council will also report such matters to the following external independent agencies in Queensland's public sector, as appropriate:

- Crime and Corruption Commission for cases with reasonable suspicion of corrupt conduct;
- Queensland Audit Office for reportable losses and to inform of matters to consider during their audit;
- Office of the Independent Assessor for Councillor misconduct;
- Queensland Ombudsman for administrative practice in government and public interest disclosures;
- Queensland Police Service for criminal and corrupt conduct; and
- Minister responsible for local government for reportable losses.

The CEO is required to report any reasonable suspicion of corrupt conduct to the Crime and Corruption Commission and ensure that full records of any decisions about allegations of corrupt conduct are kept.

**Related Documents**

- Code of Conduct for Councillors in Queensland
- Complaint Management Policy
- Employee Code of Conduct
- Enterprise Risk Management Policy
- Fraud and Corruption Control Plan
- Public Interest Disclosure Policy
- Unreasonable Complainant Conduct Policy

**Review and Evaluation**

Fraud and corruption incident data and trends will be periodically reported to the Audit Committee.

This policy will be reviewed for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other related Council documents. Reviews of this policy will occur as required, or at least once every two years.

The effectiveness of this policy will be formally measured via the conduct of periodic internal audits.

**Responsibility**

This policy is to be:

- (1) Implemented by the CEO, and
- (2) Reviewed and amended in accordance with the 'Review Triggers' by the CEO.

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