

# Fraud and Corruption Control Policy

<b>Policy Type:</b>	Strategic
<b>Functional Group:</b>	City Administration
<b>Policy Owner:</b>	General Manager Governance and Executive Services
<b>Responsible Manager:</b>	Governance Manager
<b>Corporate Plan link:</b>	Our Engaged Council
<b>Approved By:</b>	Council resolution
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## Objective

This policy outlines City of Moreton Bay's (Council) approach to the prevention and management of fraud and corruption, and to creating an ethical environment and culture that is recognised and valued at all levels of the organisation.

## Statement

The City of Moreton Bay (Council), through its Corporate Plan, is committed to providing services that deliver our community's shared vision: *Our Moreton Bay. Amazing places. Natural spaces.* This policy supports the achievement of the Organisational Excellence Strategy 2042, in particular Council's commitment to being leaders in good governance and sustainably manage our finances and assets.

Council is committed to establishing a holistic, robust and consistent approach to the prevention and management of fraud and corruption as an essential part of good corporate governance and risk management. Fraud and corruption can expose Council to significant financial loss and compromise the delivery of essential services to our communities. It can also harm Council's credibility, including the potential loss of community trust and confidence, lower organisational morale and/or productivity and performance, and impact on Council's relationships with internal and external stakeholders.

Council has a "zero tolerance" for fraud and corruption in line with its Employee Code of Conduct and risk appetite statement. Council recognises its responsibility to protect public resources and assets from fraud and corruption and to ensure that decisions and actions are ethical and free from bias, deceit or dishonest conduct.

Council is committed to:

- Adopting a best practice fraud and corruption control framework that is aligned with the Australian Standard AS 8001:2021 Fraud and Corruption Control and emphasises *prevention, detection* and *response* strategies, to ensure that:
  - fraudulent and corrupt activity is prevented;
  - conflicts of interest are avoided where possible, or declared and managed, to ensure open and transparent decision making;
  - risks associated with fraud and corruption are managed as a priority activity within Council's enterprise risk management program; and
  - audit systems are in place to deter and/or identify fraudulent or corrupt activities.
- Maintaining an effective governance system and clarity of roles and responsibilities at all levels of the organisation in relation to fraud and corruption control;
- Maintaining a Fraud and Corruption Control Plan that outlines the key elements of the fraud and corruption control system including specific controls, processes, actions, responsibilities and integrations with other governance systems;
- Developing and implementing strong internal control mechanisms as the first line of defence against fraud and corruption and ensuring these are regularly tested for effectiveness;

- Strengthening information security processes and practices to ensure alignment with the Australian Standard AS ISO/IEC 27000 Information technology — Security techniques series and effectively prevent, detect and respond to external cyber-borne attacks;
- Creating an ethical environment and culture through regular awareness, education, training and reporting of fraud risk;
- Establishing a supportive reporting environment where team members are encouraged to report suspicions 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.

### **Roles and Responsibilities**

Councillors and Council Leaders are responsible for setting the tone and expected standard of behaviour for the organisation that support an ethical environment and culture that discourages and prevents fraud and corruption.

Council expects all team members 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 Council policies, procedures and operational directives;
- Maintaining an awareness of Council's control strategies to minimise fraud and corruption; and
- Being continuously vigilant to the potential for fraud and corruption to occur.

Council's Governance Branch, under the direction of the CEO, is responsible for coordinating investigations into any reports of suspected fraud and corruption to ensure the appropriate processes have been adhered to and records are maintained.

Council's Audit Committee are responsible for monitoring the implementation of Council's fraud and corruption framework, and whether there are strong internal controls in place to effectively manage key fraud risks identified through both external and internal audit. The Governance Branch will monitor and periodically report fraud incident data, trends and risks to the Audit Committee.

### **Reporting Fraud and Corruption**

Council team members must report any concerns or suspicions of fraud and corruption to their immediate Leader/Supervisor. If the team member believes that the supervisor may be involved in the activity, then the report must be made to a more senior Leader/Manager, the Governance Branch or the CEO.

Concerns and suspicions must be reported as soon as possible. A team member must not attempt to investigate the matter themselves.

Council team members or other persons including members of the public can make a report about suspected fraud and corruption to the Governance Branch in the following ways. Reports can be made verbally, in writing, or anonymously.

- Online: Fraud and Corruption Allegation Reporting form at [www.moretonbay.qld.gov.au](http://www.moretonbay.qld.gov.au)
- Email: [governance@moretonbay.qld.gov.au](mailto:governance@moretonbay.qld.gov.au)
- Phone: (07) 3205 0555 Monday to Friday 8:30am - 5:00pm
- Mail: PO Box 159 Caboolture QLD 4510
- Your Call Hotline: 1300 790 228 Monday to Friday 9.00am-12.00am or [yourcall.com.au/report](http://yourcall.com.au/report) (using the ID 'MBRC')

Council acknowledges that under the *Public Interest Disclosure Act 2010*, it has certain obligations to any person who makes a public interest disclosure (PID). Those obligations may extend to a person who makes a report about fraud or corruption. Council's Public Interest Disclosure Policy and Procedure outline the process for making and managing public interest disclosures.

### External Reporting Obligations

Council will report fraud and corruption 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 (or delegate) is the designated contact officer for reporting any reasonable suspicions of corrupt conduct to the Crime and Corruption Commission or other agency as appropriate.

Council will consider the impact of a fraud and corruption incident on third parties such as customers, suppliers, partners, and other government agencies and ensure there is a notification process for impacted third parties when responding.

### Frivolous or Vexatious Reporting

Council may decide to take no action or discontinue action taken to deal with a report (or complaint) about suspected fraud and corruption that is assessed as being frivolous or vexatious, lacking in substance or credibility, or otherwise not made in good faith.

If a complaint is dismissed for any of the reasons above, the CEO will warn the person making the report that if they make the same, or substantially the same complaint again, the person may be committing an offence under the *Crime and Corruption Act 2001*.

## Application

This policy applies to all Councillors and Council team members.

## Related Documents

### Relevant legislation

- *Local Government Act 2009 (Qld)*
- *Local Government Regulation 2012 (Qld)*
- *Crime and Corruption Act 2001 (Qld)*
- *Criminal Code Act 1899 (Qld)*
- *Public Interest Disclosure Act 2010 (Qld)*
- *Human Rights Act 2019 (Qld)*

### Council documents

- Employee Code of Conduct
- Enterprise Risk Management Policy
- Public Interest Disclosure Policy
- Public Interest Disclosure Procedure
- Complaint Management Policy 4
- Unreasonable Complainant Conduct Policy
- Managing Gifts and Benefits Operational Directive
- Managing Conflict of Interest Operational Directive
- Information and Communication Technology Security Operational Directive
- Fraud and Corruption Control Plan
- Fraud and Corruption Allegation Reporting Form

### Other resources

- Code of Conduct for Councillors in Queensland
- Australian Standard AS 8001:2021 Fraud and Corruption Control
- Australian Standard AS ISO 37002:2023 Whistleblowing management systems - Guidelines
- Australian Standard AS ISO/IEC 27001, Information technology — Security techniques — Information security management systems — Requirements (and series)
- Commonwealth Fraud Control Framework 2017

- Queensland Crime and Corruption Commission: Fraud and Corruption Control Best Practice Guide 2018

## Definitions

Term	Definition
<b>CEO</b>	Chief Executive Officer of Moreton Bay City Council
<b>City</b>	Moreton Bay City Council Local Government Area
<b>Corruption</b>	Dishonest activity in which a person associated with an organisation (eg director, executive, manager, employee/team member or contractor) acts contrary to the interests of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly. (AS 8001:2021 Fraud and Corruption Control)
<b>Corrupt Conduct</b>	Corrupt conduct has the same meaning as defined under the <i>Crime and Corruption Act 2001</i> . Corrupt conduct would, if proved, constitute a criminal offence or a disciplinary breach providing grounds for dismissal.
<b>Council</b>	City of Moreton Bay / Moreton Bay City Council
<b>Councillors</b>	Mayor and Councillors of the Moreton Bay City Council
<b>Fraud</b>	Dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at any time, immediately before or immediately following the activity. (AS 8001:2021 Fraud and Corruption Control)
<b>Fraud and Corruption Control Framework</b>	Comprises Council's fraud and corruption control system that includes a coordinated and integrated set of documents, mechanisms, tools and control activities that assist with managing fraud and corruption risk across the organisation.
<b>Leader</b>	Council team members that have supervisory responsibilities and includes the CEO, Directors, Chiefs and Managers.
<b>Material Loss</b>	A loss of more than \$500 for money, or a loss valued by the CEO at more than \$1000 for any other Council asset.
<b>Reportable Loss</b>	A loss of a Council asset 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 team member.
<b>Team Members</b>	All employees of Council, whether employed on a permanent, temporary, or part-time basis. This definition also includes volunteers and employees of businesses and entities contracted to provide services to, or on behalf of, Council.

## Document Control

Document History				Official Version: 70429812	
Version	Approval	Date	Description	Document ID	
1	Coordination Committee (11/1161)	28 June 2011	New Policy	A5233590	
2	Coordination Committee (17/1146)	20 June 2017	Updated policy	A15403701	
3	Council General Meeting (20/2054)	9 December 2020	Updated policy	A20193367 / 25555600	
4	Council General Meeting (24/514)	24 July 2024	Updated policy	68278418	