

1176 Fraud and Corruption Prevention

Statutory Policy



PURPOSE

- 1) North Burnett Regional Council is committed to ethical practices and the prevention of fraud and corruption across all levels of the organisation. Fraud and corruption can cause significant financial and reputational damage, affect employee morale and undermine the public's confidence in the delivery of services.
- 2) This policy emphasises Council's commitment to rigorously manage the risks of fraud and corruption.

SCOPE

- 3) Fraud and corruption prevention is a shared responsibility. This policy applies to all Councillors and Council employees regardless of whether they are permanent, temporary, full-time, part-time, casual or volunteer. This policy will also apply to consultants, contractors and their employees as and when engaged by Council.

DEFINITIONS

Term	Definition
Benefit	Includes property, advantage, service, entertainment, the use of or access to property or facilities, and anything of benefit to a person whether or not it has any inherent or tangible value, purpose or attribute.
CCC	Means the Crime and Corruption Commission
Corruption	Australian Standard AS 8001 – 2008 Fraud and corruption control (AS8001-2008) defines corruption as: Dishonest activity in which an employee 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.
Corrupt conduct	Is defined under Section 15 of the <i>Crime and Corruption Act 2001</i> . 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: <ul style="list-style-type: none">• 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	Also means the Mayor and Deputy Mayor of the North Burnett Regional Council.
Detriment	To a person, includes detriment caused to a person's property.
Employees	Means all employees of Council, whether employed on a permanent, temporary, or part-time basis and includes volunteers, contractors and their employees.
Fraud	Australian Standard AS 8001 – 2008 Fraud and corruption control (AS8001-2008) defines 'fraud' as: <i>Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal</i>

Term	Definition
	<i>business purpose or the improper use of information or position for personal financial benefit</i>
Knowingly	There is evidence to show that the person was aware of facts that were reasonably apparent, and where it was not apparent, it could be necessary to assess on the known objective facts whether the conduct had been engaged in recklessly.
Material Loss	for an asset, means: <ul style="list-style-type: none"> • for money - a loss of more than \$500; or • for any other asset - a loss valued by the CEO at more than \$1,000.
Misconduct	In the LG Act, “misconduct” applies only to councillors, and is conduct of or by a councillor that: <ul style="list-style-type: none"> • adversely affects, directly or indirectly, the honest and impartial performance of the councillor’s functions or the exercise of the councillor’s powers; or • is or involves— <ul style="list-style-type: none"> - a breach of the trust placed in the councillor, either knowingly or recklessly; or - a misuse of information or material acquired in, or in connection with, the performance of the councillor’s functions, whether the misuse is for the benefit of the councillor or someone else, or to the detriment of someone else; or - contravenes — <ul style="list-style-type: none"> i. an order of the local government or the conduct tribunal; or ii. the acceptable requests guidelines of the local government under section 170A; or iii. a policy of the local government about the reimbursement of expenses; or iv. section 150R, 170(2), 171(3) or 175G; or v. is part of a course of conduct leading to the local government deciding to take action (under section 150AG) to discipline the councillor for inappropriate conduct on three occasions within a year; or vi. is of the same type stated in an order of the local government that if the councillor engages in the same type of conduct again, it will be dealt with as misconduct.
Recklessly	Where there was an awareness by the person engaging in the conduct that there was a real and apparent risk of the breach of the trust placed in the person holding the appointment and that the person nevertheless without justification went through with the conduct. It would be without justification for a person to ignore a risk that was real and apparent as opposed to one that was fanciful and speculative or without substance.
Reportable Loss	For an asset, means a loss resulting from: <ul style="list-style-type: none"> • 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.
Organisational support	Means actions such as, but not limited to: <ul style="list-style-type: none"> • providing moral and emotional support • advising disclosers about agency resources available to handle any concerns they have as a result of making their disclosure • appointing a mentor, confidante or other support officer to assist the discloser through the process • referring the discloser to the agency’s Employee Assistance Program or arranging for other professional counselling • generating support for the discloser in their work unit where appropriate • ensuring that any suspicions of victimisation or harassment are dealt with • maintaining contact with the discloser

Term	Definition
	<ul style="list-style-type: none"> negotiating with the discloser and their support officer a formal end to their involvement with the support program when it is agreed that they no longer need assistance.
Proper authority	A person or organisation that is authorised under relevant legislation to receive a suspected fraud or corruption disclosure.
Reasonable belief	A view which is objectively fair or sensible.
Reprisal	<p>The term 'reprisal' is defined under the <i>Public Interest Disclosure Act 2010</i> as causing, attempting to cause or conspiring to cause detriment to another person in the belief that they or someone else:</p> <ul style="list-style-type: none"> has made or intends to make a disclosure; or has been or intends to be involved in a proceeding under the disclosure Act against any person. <p>Reprisal under the <i>Public Interest Disclosure Act 2010</i> is a criminal offence and investigations may be undertaken by the Queensland Police Service.</p>
Subject person	Councillor or employee who is the subject of an allegation made in a disclosure.
Substantial and specific	<p>Substantial means 'of a significant or considerable degree'. It must be more than trivial or minimal and have some weight or importance.</p> <p>Specific means 'precise or particular'. This refers to conduct or detriment that is able to be identified or particularised as opposed to broad or general concerns or criticisms.</p>

POLICY

OBJECTIVES

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

POLICY STATEMENT

- 5) Council recognises its responsibility to protect public resources and assets from fraud and corruption and to ensure that decisions and actions are free from corrupt exploitation. Council has a zero tolerance towards corrupt conduct, fraudulent activities or maladministration in line with its Code of Conduct and risk appetite.
- 6) Council will dismiss an allegation about suspected fraud or corruption if it is assessed as malicious, frivolous, vexatious or not made in good faith.

7) Principles

Council is committed to:

- Adopting a best practice fraud management approach that emphasises *prevention, detection and response* strategies;
- 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 strategy;
- 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.

8) Protection for Disclosers

- a) Council will provide protection and support to those who report suspected fraud or corruption in accordance with Council's Public Interest Disclosure procedures.
- b) Reprisals against a Councillor or an employee for reporting suspected fraud or corruption will not be tolerated.

9) External Reporting

- a) By law, all allegations of fraudulent or corrupt conduct, must be reported to the CCC.
- b) The CEO must ensure that all material and reportable losses are disclosed to the Queensland Audit Office as appropriate.

10) Breach of Policy

- a) Where Council reasonably believes a Councillor or an employee has breached this policy, the matter will be dealt with under the relevant Code of Conduct or as otherwise determined by the CCC or other investigatory agency.

ROLES AND RESPONSIBILITIES

- 11) Councillors and employees are responsible for the prevention, detection and reporting of suspected fraud and corruption.

RELEVANT LAW

Crime and Corruption Act 2001
Criminal Code Act 1899
Local Government Act 2009
Local Government Regulation 2012

RELATED DOCUMENTS

Councillor Code of Conduct
Employee Code of Conduct
Fraud and Corruption Prevention Procedures
Public Interest Disclosure Policy
Queensland Crime and Corruption Commission - Fraud and Corruption Control Best Practice Guide 2018

RELATED FORMS

Nil

RESPONSIBLE OFFICER

Chief Executive Officer

APPROVAL DATE

24 February 2021

REVIEW DATE

February 2022 (This Policy will be reviewed annually and updated as required to ensure it meets the requirements of the *Crime and Corruption Act 1994* and the standards issued by the Crime and Corruption Commission.)

REVISION HISTORY

Version	Meeting	Approval Date	History
New	General	24 February 2021	New Policy

ACKNOWLEDGEMENT

This policy is based on the *Queensland Crime and Corruption Commission - Fraud and Corruption Control Best Practice Guide 2018*.