

# Fraud and Corruption Control - Council Policy

<b>Effective Date</b>	20 April 2016
<b>Policy Owner</b>	Customer Support and Governance Manager
<b>Link to Corporate Plan</b>	Strategic Theme : Financial Sustainability
<b>Review Date</b>	June 2023
<b>Related Legislation</b>	<p>Australian Standard 'Fraud and Corruption Control' (AS8001-2008)          AS/NZS ISO 31000:2009 'Risk Management'          Crime and Corruption Commission "Corruption in Focus"          Crime and Corruption Commission "Corruption and Fraud Control – Guidelines for best practice 2005"          Crime and Corruption Commission, Queensland Ombudsman, and Public Service Commission "Managing a Public Interest Disclosure Program. A Guide for Public Sector Organisations 2011"          Crime and Corruption Act 2001          Criminal Code Act 1899          Criminal Proceeds Confiscation Act 2002          Local Government Act 2009          Local Government Regulations 2010          Public Interest Disclosure Act 2010          Ombudsman: Public Interest Disclosure Standard No.2 2014          Public Service Ethics Act 1994</p>
<b>Related Documents</b>	<p>Enterprise Risk Management - Council Policy          Public Interest Disclosure - Council Policy          Complaint Management Policy and Process          Resolution of Employee Conduct Complaints Procedure          Internal Audit Plan          Code of Conduct for Employees          Fraud and Corruption Control Plan          Internal Audit - Council Policy          Audit Committee - Council Policy</p>

Policy Version	Approval Date	Adopted/Approved
1	20 April 2016	Ordinary Meeting of Council
2	19 June 2019	Ordinary Meeting of Council

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## 1. PURPOSE

The purpose of this policy is to define Council's position in relation to fraud and corruption. This policy supports high standards of professional conduct and honest and ethical business practices within the Western Downs Regional Council.

## 2. SCOPE

This policy applies to all Western Downs Regional Councillors, employees, contractors, affiliates and volunteers regardless of their position or seniority. It covers all circumstances when performing work, duties or functions for the Council, as well as related activities, such as work-related functions, travel, conferences and any circumstances when a person is representing the Council.

## 3. POLICY STATEMENT

Fraud and corruption have the potential to cause significant harm and diminish or destroy community confidence in the Council. Council therefore has a zero tolerance towards fraud and corruption and is committed to the prevention, detection and management of fraud and corruption in accordance with best practice guidance as set out by AS 8001-2008 Fraud and Corruption Control. Council's fraud and corruption prevention framework is based on the following elements of the Crime and Corruption Commission's (CCC's) best practice fraud control model:

1. Effective and continuing fraud and corruption risk management;
2. Appropriate internal controls which address the Council's risks and operating environment;
3. Internal reporting of suspected wrongdoing and potential or actual risks;
4. Effective system of external notification and reporting pursuant to legislative requirements;
5. Robust public interest disclosure mechanisms;
6. A clear Code of Conduct and disciplinary standards for dealing with breaches and wrongdoing;
7. Competent investigation processes and standards; and
8. Effective stakeholder and community awareness programs.

## 4. PRINCIPLES

Councillors and all Executive, Managerial and Supervisory staff have a responsibility for setting the ethical tone of the organisation consistent with the ethics principles set out in the Public Sector Ethics Act 1994 and the Local Government Act 2009. Managerial staff play a key role in the general administration of their work areas and consequently overseeing the implementation, review and monitoring of fraud and corruption prevention strategies, including risk management processes in accordance with the *Fraud and Corruption Control Plan*.

There are three key principles that form Council's strategic framework for the management of fraud and corruption; Prevention, Detection and Response. These key principles are covered in depth in Council's *Fraud and Corruption Control Plan*.

- a. The *Fraud and Corruption Control Plan* forms the basis of the strategic overarching framework, encompassing the key principles and action plans to achieve Council's objective of zero tolerance.



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- b. Council's risk management principles and strategies as detailed in the *Enterprise Risk Management - Council Policy* will be utilised to maximise prevention opportunities and minimise any potential risks of fraud and corruption.
- c. All Councillors, employees, contractors, affiliates and volunteers are accountable for their own conduct.
- d. All persons that possess supervisory responsibilities, including elected members, are accountable for assisting in the establishment of a workplace with the highest ethical standards through promotion and exemplifying ethical behaviour at all times.
- e. All Councillors, employees, contractors and volunteers have an obligation to report any suspected fraudulent or corrupt conduct within their area of responsibility or within other areas of Council.
- f. Any eligible persons (under the *Public Interest Disclosure Act 2010*) reporting a suspected fraudulent or corrupt conduct activity in accordance with the *Public Interest Disclosure Act 2010* (the Act) shall be afforded protection from reprisal action in accordance with the Act and the *Public Interest Disclosure Council Policy*.

## 5. PREVENTION, REPORTING, DETECTION, INVESTIGATION AND RESPONDING

Council recognises that the most effective way to address the issue of corruption and fraud control is to provide exemplary leadership, fully comply with legislative obligations, provide clear and appropriate policy settings, with appropriate control strategies that address prevention, detection, investigation, response, monitoring and reporting.

## 6. CONFIDENTIALITY

Complaints, complainants, subject officers, witnesses and investigations will be treated and managed confidentially in accordance with Council's Complaint Management Framework, the *Public Interest Disclosure - Council Policy*, and in accordance with obligations under the *Public Interest Disclosure Act 2010*.

## 7. MITIGATION OF RISK

Council will:-

1. maintain a Fraud Risk Register that identifies fraud and corruption risks, and the controls in place to mitigate risks to acceptable levels.
2. conduct fraud risk assessments at least quarterly across each operational area to assist Council understand its fraud risk exposure, identify gaps and weaknesses in internal controls, and develop strategies to mitigate those risks;
3. maintain fidelity guarantee insurance to cover:
  - a. Council and its controlled entities; and
  - b. losses directly arising from proven fraudulent embezzlement or misappropriation of money, negotiable instruments or goods, by all employees of Council and its subsidiaries.
4. conduct comprehensive staff awareness and training programs around fraud and corruption.



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## 8. OBLIGATIONS AND RESPONSIBILITIES

Everyone in the Council has a role to play in identifying areas of risk, including fraud and corruption, initiating responses that manage the risk exposure to acceptable levels, ensuring that internal controls are working properly, and policies are being followed.

Managers have specific responsibilities for identification of risks and the management of fraud and corruption control activities.

Responsibility for the identification of fraud mitigation strategies, such as staff training, is identified in Councils' Fraud and Corruption Control Plan.

