

Fraud and Corruption Control Policy

Office of the Mayor & CEO, Governance

OMCEO_05

Revokes: Fraud and Corruption Control Policy adopted 28 February 2018

Purpose

The purpose of this policy is to ensure that Council:

- promotes an ethical culture throughout the organisation;
- takes a risk management approach to the prevention, detection and investigation of fraudulent and corrupt conduct;
- reduces or removes the potential for fraudulent or corrupt conduct on the part of its employees, contractors, clients and suppliers;
- detects fraudulent or corrupt conduct through the systematic processes articulated in Council's Fraud and Corruption Control Strategy;
- investigates or otherwise formally enquires into all instances of suspected fraudulent or corrupt conduct exposed as a result of Council's detection processes, or as a result of receiving an allegation of fraudulent or corrupt activities;
- manages, disciplines or facilitates the prosecution of those responsible for incidents of fraud and corruption as appropriate; and,
- ensures the continuing organisational integrity and transparency of its operations.

Scope

This policy is applicable to all Councillors, employees, contractors of Council and to any person or organisation that acts for or represents Council.

Policy Statement

1. Council is committed to good governance and ethical behaviour as a key element of responsible, effective and accountable local government.
2. Council acknowledges that fraud and corruption can harm Council's credibility, the public's confidence in Council and its operations, and Council's relationships with internal and external stakeholders.
3. Council has a zero tolerance for corrupt conduct, fraudulent activities or maladministration.
4. Council recognises its responsibility to protect its resources and assets from fraud and corruption and to ensure that decisions and actions are free from any corruption.
5. Council is committed to quantifying fraud losses and maximising the recovery of losses, including pursuing all reasonable avenues, including civil legal action.
6. Council will maintain a Fraud and Corruption Control Strategy which as a minimum will support and/or enhance the following:
 - 6.1. Establishment of an organisational culture which expects ethical behaviour and reporting of perceived or actual fraud and corrupt conduct.
 - 6.2. Protection for persons making a public interest disclosure
 - 6.3. Risk management functions
 - 6.4. Effective fraud and corruption prevention and detection functions (internal controls).

- 6.5. Response, outcomes and recovery procedures
- 6.6. Reporting and referral of fraud and corruption.

Applicable Legislation

This policy is in reference to the Local Government Act 2009, Criminal Code Act 1899, Public Interest Disclosure Act 2010, Crime and Corruption Act 2001 and relevant subordinate legislations.

Definitions

CEO refers to the Chief Executive Officer of the Whitsunday Regional Council appointed in accordance with the *Local Government Act 2009*.

Council refers to the Whitsunday Regional Council

Employee refers to any employee, contractor, volunteer etc. of the Council

Corruption:

In accordance with Section 15 of the Crime and Corrupt Conduct Act 2001, Corrupt conduct means 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 placed 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; and
- (c) would, if proved, be—
 - (i) a criminal offence; or
 - (ii) a disciplinary breach providing reasonable grounds for terminating the person's services, if the person is or were the holder of an appointment.

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Corruption Examples

- Payment or receipt of secret commissions (bribes), which may be paid in money or in some other form of value to the receiver (e.g. building projects completed at an employee's private residence) and may relate to a specific decision or action by the receiver or generally.
- Release of confidential information for other than a proper business purpose in exchange for some form of financial benefit or advantage accruing to the employee releasing the information.
- Collusive tendering (the act of multiple tenderers for a particular contract colluding in preparation of their bids).
- Payment or solicitation of donations for an improper political purpose.
- Serious conflict of interest involving a Councillor, Director, Manager or employee acting in his or her own self-interest rather than the interests of the entity to which he or she has been appointed.
- Nepotism and cronyism where the appointee is inadequately qualified to perform the role to which he or she has been appointed.

Fraud:

Fraud is defined in Australian Standards AS 8001-2008 as:

Dishonest activity causing actual or potential financial loss to any person or Council, including theft of moneys or other property by employees or persons external to Council 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 business purpose or the improper use of information or position for personal financial benefit.

Fraud Examples

- Theft of plant, equipment or inventory by employees
- False invoicing (involving a staff member of Council or a person external to Council creating a fictitious invoice claiming payment for goods or services not delivered or exaggerating the value of goods delivered or services provided)
- Theft of cash or funds other than by way of false invoicing
- Accounts receivable fraud (misappropriation or misdirection of remittances received by Council from a debtor)
- Credit card fraud involving the unauthorized use of a credit card or credit card number issued to another person or the use of stolen or fraudulently generated credit card numbers by merchants
- Theft of intellectual property or other confidential information

Related Documents

Fraud and Corruption Control Strategy
Audit & Risk Committee Constitution

Effective Date

22 May 2019

Review Date

22 May 2021

Human Rights Compatibility Statement

This Policy has been assessed as compatible with the Human Rights protected under the *Human Rights Act 2019*.

COUNCIL POLICY			
Date Adopted by Council		Council Resolution	
Effective Date		Next Review Date	
Responsible Officer(s)		Revokes	
Public Consultation: Yes / No			