



# BOULIA SHIRE COUNCIL

## FRAUD AND CORRUPTION CONTROL

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<b>Keyword Classification:</b>	Fraud Control
<b>Summary:</b>	This policy sets out the organisational requirements to prevent, detect, respond to and report fraud and corruption at the Boulia Shire Council.
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<b>Related documents:</b>	<p>Policy 108 - Audit &amp; Risk Management Committee Policy</p> <p>Policy 110 - Internal Audit Policy 2019/20</p> <p>Policy 116 - Workplace Health, Safety, Environment and Quality</p> <p>Policy 122 - Councillor Interaction Policy</p> <p>Policy 123 - Risk Management Policy</p> <p>Policy 128 - Public Interest Disclosure Policy and Procedure</p> <p>Policy 129 - Councillor Code of Conduct</p> <p>Policy 130 - Dealing with a Complaint involving a Public Official (CEO)</p> <p>Policy 146 - Code of Conduct</p> <p>Policy 127 - Complaints Management Policy &amp; Process</p> <p>BSC Discipline Process</p> <p>Fraud and Corruption Control Plan</p> <p>Fraud and Corruption Control Strategy</p> <p>Crime and Corruption Commission, fraud, and corruption prevention publications <a href="http://www.ccc.qld.gov.au">www.ccc.qld.gov.au</a></p> <p>Australian Standard AS 8001-2008 Fraud and Corruption Control</p>
<b>Responsible Section:</b>	Finance
<b>Responsible Officer:</b>	Director of Corporate & Financial Services
<b>Legislation:</b>	<p>Crime and Corruption Act 2001</p> <p>Criminal Code Act 1899</p> <p>Financial Accountability Act 2009</p> <p>Local Government Act 2009</p> <p>Local Government Regulation 2012</p> <p>Public Interest Disclosure Act 2010</p> <p>Public Sector Ethics Act 1994</p>



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## SCOPE

This policy applies to all facets of Council's operations, including administration, service delivery and performance. This policy also applies to all Boulia Shire Councillors, employees, contractors, consultants, suppliers and volunteers.

## PURPOSE

To define Council's position in relation to fraud and corruption by:

- Acknowledging Council's obligations as a public sector entity to eradicate all instances of fraudulent and corrupt activities through appropriate control measures;
- Establishing Council's commitment to the promotion and proper management of the fraud and corruption management framework

## DEFINITIONS

To assist in interpretation, the following definitions apply:-

### **CEO Chief Executive Officer**

A person who holds an appointment under section 194 of the *Local Government Act 2009*. This includes a person acting in this position.

### **Contractor**

A person, organisation or entity that performs a specific act or acts including the provision of services and/or materials to another person, organisation or entity under an agreement enforceable by law.

### **Corrupt Conduct**

Conduct that involves the exercise of a person's official powers in a way that:

- i) Is not honest or impartial; or
- ii) Involves a breach of trust placed in the person as a public officer, either knowingly or recklessly; or
- iii) Involves a misuse of Council assets, materials or information; and
- iv) Is for the purposes of providing a benefit to the person or another person or causing a detriment to another person; and
- v) Would, if proven constitute a criminal offence or is serious enough to justify a dismissal.

Corrupt Conduct is defined formally and in detail as per s15 *Crime and Corruption Act 2001*.

### **Corruption**

Dishonest activity by staff or others that is contrary to the interests of Council. Corruption includes fraud, misuse of position or authority, breach of confidentiality or other unacceptable activity that may cause loss to Council, its clients or the general community.

### **Council**

Boulia Shire Council.



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## **Councillor**

The Mayor and Councillors of Boulia Shire Council, within the meaning of the *Local Government Act 2009*.

## **Employee**

Local government employee—

(a) the Chief Executive Officer; or

(b) a person holding an appointment under section 196 of the *Local Government Act 2009*.

## **Enterprise Risk Management**

Council's approach to risk management encompassing strategy, processes, culture, technology, standards and knowledge in identifying, analysing, evaluating, managing, treating, reviewing and communicating uncertainties encountered.

## **Fraud**

Dishonest activity causing actual or potential financial loss to any person or agency including theft of moneys or other property by employees or persons external to the agency and whether or not 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.

## **Manex Team**

Consists of the CEO, DWO, DCS, Managers, Works Foremen and Works Supervisor.

## **Official Misconduct**

Has the same meaning as in the *Crime and Misconduct Act 2001 s15*, that is, it is conduct that if proved could be:

a criminal offence or

a disciplinary breach providing reasonable grounds for terminating the person's services.

## **Public Interest Disclosure**

A disclosure made under the *Public Interest Disclosure Act 2010* (PID Act) s12 & 13 and includes all information and help given by the discloser to the proper authority for the disclosure.

## **Reprisal**

Causing, or attempting to conspire to cause, detriment to another person because, or in the belief that, anybody has made or may make, a public interest disclosure (whistleblowing). A reprisal is a criminal offence and a civil wrong and is also official misconduct.

## **Risk**

The effect of uncertainty on objectives. In consideration of fraud and corruption risk, this will generally, be a negative impact.



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## POLICY

Council is committed to the prevention, detection and response of fraud and corruption done to or by Council in accordance with best practice guidance as set out by AS8001- 2008 Fraud and Corruption Control.

Council has zero tolerance to activities related to fraud and corruption and Council will investigate, or otherwise formally enquire into, all instances of suspected fraudulent or corrupt conduct exposed as a result of receiving an allegation or detecting fraudulent or corrupt activities as statutorily required. Appropriate actions will follow these investigations including, where applicable, actions to recover moneys or other property should a cost benefit analysis justify such action.

### Fraud and Corruption Principles

Councillors and all 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 s13 (2) (h) & (i)*.

They 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.

There are three key principles that form Council's strategic framework; Prevention, Detection and Response.

- i) Council's risk management principles and strategies will be utilised to maximise prevention opportunities and minimise any potential risks of fraud and corruption;
- ii) All Councillors, employees, contractors and volunteers are accountable for their own conduct;
- iii) 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;
- iv) All Councillors, employees, contractors and volunteers have an obligation to report any corrupt conduct within their areas or other areas of Council;
- v) In the event of the detection of any suspected corrupt activity, Councillors, employees, contractors and volunteers have an obligation to report their identified concerns;
- vi) Any persons reporting a suspected corrupt conduct activity shall be duly afforded protection from any potential reprisals.

### 5.2 Fraud and Corruption Control Management Framework

Council's fraud and corruption control management framework is also based on the 10 elements identified in the Crime and Misconduct Commission's publication, *Fraud and Corruption Control: Guidelines for Best Practice (2005)*, these elements are:

1. A clear and integrated suite of relevant policies;
2. Effective and continuing fraud and corruption risk management;



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3. Internal controls with clear accountability and responsibility structures;
4. Effective internal reporting systems and procedures;
5. An effective system of external notification and reporting;
6. Robust public interest disclosure mechanisms;
7. A clear Code of Conduct and disciplinary standards;
8. Comprehensive staff awareness and appropriate training programs;
9. Competent investigation processes and standards; and
10. Effective stakeholder and community awareness programs.