

FRAUD AND CORRUPTION CONTROL POLICY (ADMINISTRATIVE POLICY)

1. **Scope:**

This policy applies to Rockhampton Regional Council Councillors, employees, contractors and volunteers.

2. **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; and
- Establishing Council's commitment to the promotion and proper management of the fraud and corruption management framework.

3. **Related Documents:**

Primary

Nil

Secondary

Crime and Corruption Act 2001

Criminal Code Act 1899

Local Government Act 2009

Local Government Regulation 2012

Public Interest Disclosure Act 2010

Public Sector Ethics Act 1994

Australian Standard AS 8001-2008 Fraud and Corruption Control

International Standard ISO 31000 – Risk Management – Principles and Guidelines

Code of Conduct

Complaint Management Policy

Councillor Code of Conduct Policy

Discipline Procedure

Enterprise Risk Management Policy and Framework

Fraud and Corruption Control Plan

Investigation Procedure

Public Interest Disclosure Policy

Public Interest Disclosure Procedure

Reporting Official Misconduct Policy

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4. Definitions:

To assist in interpretation, the following definitions apply (where appropriate referenced from AS 8001-2008 and ISO31000 as well as current legislation).

CEO	<i>Chief Executive Officer</i> A person who holds an appointment under section 194 of the <i>Local Government Act 2009</i> . 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: <ul style="list-style-type: none"> ▪ Is not honest or impartial; or ▪ Involves a breach of trust placed in a person holding an appointment, either knowingly or recklessly; or ▪ Involves a misuse of Council assets, materials or information; and ▪ Is for the purposes of providing a benefit to the person or another person or causing a detriment to another person; and ▪ Would, if proven constitute a criminal offence or is serious enough to justify a dismissal. Corrupt Conduct is defined formally and in detail in section 15 of the <i>Crime and Corruption Act 2001</i> .
Corruption	Corrupt conduct.
Council	Rockhampton Regional Council.
Councillor	The Mayor and Councillors of Rockhampton Regional Council, within the meaning of the <i>Local Government Act 2009</i> .
Employee	Local government employee— (a) the Chief Executive Officer; or (b) a person holding an appointment under section 196 of the <i>Local Government Act 2009</i> .
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. Enterprise Risk Management Policy.
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.
Fraud and Corruption Control Plan	A document summarising Council's anti-fraud and anti-corruption strategies.

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Public Interest Disclosure	A disclosure made under the <i>Public Interest Disclosure Act 2010</i> and includes all information and help given by the discloser to the proper authority for the disclosure.
Risk	The effect of uncertainty on objectives. In consideration of fraud and corruption risk, this will generally be a negative impact.
Volunteer	Any person, who of their own free will, offers to undertake un-paid work for Council and is accepted as a volunteer by the Chief Executive Officer and/or his authorised delegates.

5. Policy Statement:

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. 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.

5.1 Fraud and Corruption Principles

Councillors and all employees in supervisory roles 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*. 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 and the Fraud and Corruption Control Plan.

There are three key principles that form Council's strategic framework; prevention, detection and response. These key principles are covered in depth in Council's Fraud and Corruption Control Plan.

- 5.1.1 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.
- 5.1.2 Council's risk management principles and strategies as detailed in the Enterprise Risk Management Policy will be utilised to maximise prevention opportunities and minimise any potential risks of fraud and corruption.
- 5.1.3 All Councillors, employees, contractors and volunteers are accountable for their own conduct.
- 5.1.4 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.
- 5.1.5 All Councillors, employees, contractors and volunteers have an obligation to report any corrupt or suspected corrupt conduct within their areas or other areas of Council.
- 5.1.6 Any persons reporting a suspected corrupt conduct activity shall be duly afforded protection from any potential reprisals.

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- 5.1.7 Detecting fraudulent or corrupt activity through the systematic processes identified in the Fraud and Corruption Control Plan.

5.2 Fraud and Corruption Control Management Framework

Council's fraud and corruption control management framework is 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;
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.

6. Review Timelines:

This policy will be reviewed when any of the following occur:

- 6.1 The related information is amended or replaced; or
- 6.2 Other circumstances as determined from time to time by the CEO.

7. Responsibilities:

Sponsor	Chief Executive Officer
Business Owner	General Manager Corporate Services
Policy Owner	General Manager Corporate Services
Policy Quality Control	Corporate Improvement and Strategy

EVAN PARDON
CHIEF EXECUTIVE OFFICER

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