



Corruption and Fraud Control Policy

1. POLICY STATEMENT

Balonne Shire Council has a zero tolerance for corruption and fraud and it is committed to acting in the best interest of the community and upholding the principles of honesty, integrity and transparency. It is totally unacceptable for any Councillor, employee or associated party to engage in, or participate in corruption or fraud.

Balonne Shire Council will use a structured governance framework and an integrated approach to the development, implementation and regular review of fraud prevention and detection, responding, reporting and response strategies. If any Councillor, employee or associated party is suspected of engaging in, or participating in such conduct, the Council will refer the matter to the relevant agency (e.g. Crime and Corruption Commission, Queensland Police Force, Queensland Audit Office, etc.).

If proven, Council will:

- Support any prosecution by the relevant agency; and
- Initiate action:
- Against Councillors under *Local Government Act 2009*;
- Against Employees under *Local Government Act 2009*, which may result in termination of their employment;
- Against associated parties that may include termination of their contract, engagement or appointment; and
- To recover stolen property or funds where the benefits of recovery exceed the resources invested in recovery action. This action may be in addition to any disciplinary action taken.

2. PRINCIPLES

The objective of the Corruption and Fraud Control Policy is to:

- Provide guidance to Councillors, employees and associated parties about what constitutes corruption and fraud;
- Provide a distinct statement that corruption and fraud is unacceptable;
- Define the consequences for people who engage in such conduct;
- Provide clear responsibilities and accountabilities for preventing corruption and fraud;
- Establish a consistent approach across all areas of Council;
- Provide an integrated approach to corruption and fraud prevention and control that includes prevention measures and reporting, detecting and investigating measures;
- Provide a guarantee to Council that incidents of corruption and fraud are reported;
- Foster public confidence in the way suspected corrupt conduct is dealt with by Council.

3. SCOPE

This Policy is applicable to:

- All Councillors, employees, contractors and associated parties of the Council, 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; and



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- Actual or suspected occurrence of corruption and fraud.

4. RESPONSIBILITY

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

4.1 Obligations of Councillors, Employees, Contractors and Associated Parties

All Councillors, Employees, Contractors and Associated Parties must comply with the following obligations:

- Perform their functions and duties in a professional and ethical manner, with care, diligence, honesty and integrity, in accordance with Council's Codes of Conduct (Councillors and Employees) and the expectation of the community.
- Not engage in, or participate in any form of corruption and fraud.
- Report any occurrence or suspicion of corruption and/or fraud within the Council to their Supervisor, Director or Chief Executive Officer immediately.
- Familiarise themselves with this Policy and related policies and procedures.
- Cooperate and participate in any investigation to the best of their ability and respond to requests with a high priority and in the strictest confidentiality.

4.2 Responsibilities of Employees with Financial Delegations

Any employee with financial delegation or responsibility for administering financial transactions is required to fully comply with the Council's financial policies (including Purchasing), financial systems requirements and all other financial control.

4.3 Additional Responsibilities of Managers and Supervisors

In addition to the general obligations as outlined above, Managers/Supervisors have the following additional responsibilities:

- Create an environment in which corruption and fraud is dissuaded and promptly reported by employees.
- Ensure that new employees, for whom they are responsible, are aware of their responsibilities in relation to corruption and fraud and the standard of conduct required as defined in the Employee Code of Conduct.
- Ensure that all staff, contractors and associated parties have the necessary education and training opportunities to develop the knowledge and skills to apply this policy.
- Identify potential corruption and fraud risks.
- Report any suspected or actual occurrences of corruption or fraud within the Council.
- Treat all reports of all corruption and fraud seriously and confidentially.
- Support and protect employees who make a public interest disclosure against reprisal action.
- Lead by example to promote honest and ethical behaviour.

Managers and Supervisors can seek advice about handling such reports from their Director or Chief Executive Officer.



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4.4. Additional Responsibilities of Directors

Directors are to be the advocates of corruption and fraud prevention and coordinate the prevention, incident reporting, detection, investigation, responding, evaluation and investigation reporting activities within Council.

4.5 Responsibilities of the Senior Leadership Group

The Senior Leadership Group will monitor and evaluate the control strategies provide insights into the appropriate balance between fraud prevention and detection strategies.

4.6 Additional Responsibilities of the Chief Executive Officer

The Chief Executive Officer is the principal officer of Council and has the following additional responsibilities:

- Ensure the policy and frameworks are implemented and monitored.
- Demonstrate a high standard of personal integrity at all times and ensure all Directors, Managers and Supervisors do the same.
- Present a report to the Audit & Risk Committee and/or Council meeting providing details of fraud and corruption and the action taken, on the occurrence of an event.

4.7 Responsibilities of Mayor and Councillors

In their dealings with the council and their representation of the council in the community, the Mayor and Councillors will:

- Conduct themselves in an ethical manner.
- Adhere to all administrative and financial policies and procedures in claiming expenses or remuneration entitlements.
- Make all decisions in a fair, impartial and unbiased manner.
- Not use their position for personal advantage for themselves or any other person or entity.

The Mayor and Councillors are also responsible for ensuring that there is adequate budgetary provision for:

- The implementation and continuance of this policy consistent with agreed objectives
- Establishing and maintaining awareness of this policy through ongoing education and training.

5. DEFINITIONS

The following definitions (AS 8001-2008 Fraud and Corruption Control) are provided to assist in the terminology.

Agency – A corporation, government agency, not-for-profit organisation or other body engaged in a business activity or transacting with other agencies in a business-like setting.

Corruption – Dishonest activity in which a Councillor, Chief Executive Officer, Director, Manager, Employee, Contractor or Agent acts contrary to the interests of Balonne Shire Council and exploits their position of trust in order to achieve some personal gain or advantage for themselves or another person or agency.



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Fraud – Dishonest activity causing actual or potential financial loss to any person or agency including theft of money or other property by employees or persons external to Council and whether or not deception is used at the time, immediately before or immediately following the activity. This 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.

Maladministration – An administrative action that is unlawful, arbitrary, unjust, oppressive, improperly discriminatory or taken for an improper purpose; or a waste of public funds.

6. POLICY

6.1 Confidentiality

Complaints, complainants, subject officers, witnesses and investigations will be treated and managed confidentially, in accordance with the *Public Interest Disclosure Act 2010*.

6.2 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 excellent leadership, fully comply with legislative obligations, provide clear and appropriate policy settings, with appropriate control strategies that address prevention, reporting suspicions and detections, investigation, responding, evaluation and reporting.

6.3 Risk Mitigation

Council will:

- Conduct fraud risk assessments on a regular basis with internal auditors to assist Council to understand its fraud risk exposure, identify gaps and weaknesses in internal controls and develop strategies to mitigate those risks;
- Maintain fidelity guarantee insurance to cover Council and losses directly arising from proven fraudulent embezzlement or misappropriation of money, negotiable instruments or goods, by all Councillors, employees and associated parties of Council.

Under S164 of the Local Government Regulations 2012 Council is required to keep a record of the risks council's operations are exposed to, to the extent they are relevant to financial management and the control measures adopted to manage the risks.

7. LEGAL PARAMETERS

Local Government Act 2009

Local Government Regulation 2012

Crime and Corruption Act 2001

Criminal Code Act 1899

Integrity Act 2009

Public Interest Disclosure Act 2010

Public Sector Ethics Act 1994

Right to Information Act 2009

Australian Standard 'Fraud and Corruption Control' (AS8001-2008)



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8. ASSOCIATED DOCUMENTS

Code of Conduct for Councillors

Code of Conduct for Employees

Enterprise Risk Management Policy and Framework

Public Interest Disclosure Policy

Administrative Action Complaints Policy

<https://www.ombudsman.qld.gov.au/improve-public-administration/public-interest-disclosures/public-interest-disclosure-resources/public-interest-disclosure-guides>

<https://www.ccc.qld.gov.au/publications/fraud-and-corruption-control-best-practice-guide>