



STRATEGIC POLICY
MOUNT ISA CITY COUNCIL
Management of Fraud and Corruption Policy

RESOLUTION NO. OM12.04.2018 VERSION V1

APPLIES TO STRATEGIC POLICIES ONLY

This an official copy of the **Management of Fraud and Corruption Policy**, made in accordance with the provisions of *Local Government Act 2009, Local Government Regulations 2012, Crime and Corruption Act 2001 and current Council Policies.*

Strategic policies are adopted by Council due to its desire to influence the direction of an issue or assist in the delegated decision making of Council officers. Strategic policies should follow the jurisdiction provided to Council through its Corporate Plan; the **Management of Fraud and Corruption Policy** is approved by the Mount Isa City Council for the operations and procedures of Council.

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 Sharon Ibardolaza
Chief Executive Officer

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1. PURPOSE

This policy records the Mount Isa City Council's ("Council") commitment to rigorously manage the risk of fraud and corruption, and to investigate and prosecute cases of fraud or corruption affecting the Council, to the fullest extent possible under the law.

Council will minimise its exposure to the risk of fraud and corruption, and promptly and comprehensively address reports of fraudulent or corrupt conduct.

Council will develop and maintain a Fraud and Corruption Prevention Framework.

The Fraud and Corruption Prevention Framework applies to all Council activities, and must be followed by all people acting for or on behalf of the Council.

2. COMMENCEMENT

This Policy will commence from 18 April 2018. It replaces all other policies relating to the management of fraud and corruption whether written or not.

3. APPLICATION

This policy applies to all people acting for and on behalf of the Council, including Councillors, employees, consultants and contractors, collectively referred to in this Policy as "workers".

4. RESPONSIBILITIES

4.1 Council is committed to the control and elimination of all forms of fraud and corruption, and the creation of an ethical environment and culture that discourages and prevents fraud.

4.2 All people acting for or on behalf of the Council are responsible for the prevention and detection of fraud and corruption, and must comply with the Council's Fraud and Corruption Prevention Framework.

4.3 All people acting for or on behalf of the Council must act with integrity at all times.

4.4 All allegations and suspicions of fraud or corruption will receive attention and will be dealt with appropriately – including by criminal, disciplinary or administrative mechanisms suitable to the particular case.

5. POLICY OBJECTIVES

5.1 Risk Assessment

- a) Council will undertake a fraud and corruption risk assessment at least every two years. After each review, council will update its Fraud and Corruption Prevention Framework.

5.2 Internal Controls

- a) Council will maintain an internal control structure to minimise exposure to fraud and corruption. The primary mechanism for this control will be the Council's established internal controls, operating in conjunction with established audit and financial management practices.

5.3 Reporting

- a) Workers must report any concerns or suspicions that they have about fraudulent or corrupt activity to their immediate Supervisor. If the worker believes that the supervisor may be involved in the activity, then the report must be made to a more senior person or to the Governance Compliance Officer / or other delegate appointed by the Chief Executive Officer ("CEO"). The Public Interest Disclosure Form is to be completed in all instances where a matter of fraud is being reported.
- b) Concerns and suspicions must be reported as soon as possible. A worker must not attempt to investigate the matter themselves.
- c) Council must ensure that any report of suspicious fraud or corruption is treated confidentially to the fullest extent possible under the law.

- d) Pursuant to the *Local Government Regulation 2012* s307A(3), if the CEO is satisfied a material loss is also a reportable loss, the officer must notify, as soon as practicable, but not more than 6 months after the officer becomes aware of the loss;
- i) the Minister;
 - ii) the Auditor-General;
 - iii) for a loss resulting from the commission of an offence under the Criminal Code or another Act – a police officer;
 - iv) for a loss resulting from the corrupt conduct of a Councillor, local government employee or a local government worker – the Crime and Corruption Commission.

5.4 External Reporting

- a) By law, all allegations of corrupt conduct, which includes allegations of fraudulent or corrupt conduct, must be reported to the Crime and Corruption Commission (“CCC”).
- b) The Governance Compliance Officer/ or other delegate appointed by the CEO is the designated contact officer for the CCC, and all reports to the CCC must be made by him/her.
- c) The Governance Compliance Officer/ or other delegate appointed by the CEO must ensure that reports of fraudulent or corrupt conduct are made to the Queensland Audit Office as appropriate.

5.5 Public Interest Disclosure

- a) Council acknowledges that under the *Public Interests Disclosures Act 2010*, it has obligations to any person who makes a public interest disclosure. Those obligations may extend to a person who discloses fraud or corruption.

5.6 Investigations

- a) There is a particular process that must be followed when investigating allegations of fraudulent or corrupt conduct. Matters will be reviewed by and an investigation carried out in accordance with the Public Interest Disclosure Policy.
- b) Other workers must not commence or pursue investigations unless authorised by the CEO.

6. VARIATION

- 6.1 Mount Isa City Council reserves the right to vary, replace or terminate this Policy from time to time.

7. DEFINITIONS

To assist in interpretation, the following definitions shall apply:

- a) **Corruption** - Is dishonest activity in which a person with a responsibility to act on behalf of the council acts contrary to the council’s interest or abuses their position of trust to achieve a personal gain or advantage for themselves or someone else.
- b) **Fraud** - Is deliberate deception to facilitate or conceal the misappropriation of assets or the taking of an unlawful advantage or benefit.

Fraud may include:

- Theft;
- Obtaining property, a financial advantage or any other benefit by deception;
- Causing a loss, or avoiding or creating a liability by deception;
- Knowingly providing false or misleading information to council, or failing to provide information where there is an obligation to do so;



- A breach of trust in the performance of official duties, by which an employee or Councillor acts contrary to the interests of council in order to achieve some personal gain or advantage for themselves or for another person or entity;
 - Using forged or falsified documents for an improper purpose;
 - Deliberate misstatement of accounting information for an improper purpose.
- c) **Material Loss** – for money, means a loss of more than \$500 or for any other asset, means a loss valued by the CEO at more than \$1000 (pursuant to the *Local Government Regulation 2012* s307A 4).
- d) **Reportable Loss** – for an asset belonging to the local government, means a loss resulting from;
- i) the commission of an offence under the Criminal Code or another Act; or
 - ii) the corrupt conduct of a Councillor, local government employee or local government worker; or
 - iii) conduct of a contractor of the local government that would be corrupt conduct if the contractor were a Councillor, local government employee or local government worker.

8. ASSOCIATED LEGISLATION AND POLICIES

- *Crime and Corruption Act 2001*
- Employee Code of Conduct
- Fraud and Corruption Prevention Framework
- Enterprise Risk Management Policy
- Enterprise Risk Management Framework and Guidelines