



STRATEGIC POLICY
MOUNT ISA CITY COUNCIL
Fraud and Corruption Prevention Policy

CEO APPROVED 22.08.2023 VERSION V3

APPLIES TO STRATEGIC POLICIES ONLY

This an official copy of the **Fraud and Corruption Prevention 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 **Fraud and Corruption Prevention Policy** is approved by the Mount Isa City Council for the operations and procedures of Council.

.....
 Tim Rose
Acting Chief Executive Officer

DOCUMENT VERSION CONTROL

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VERSION	DATE	RESOLUTION NO.	DETAILS	
V1	18.04.2018	OM12/04/18	Responsible Officer – Chief Executive Officer	
V2	23.09.2020	OM29/09/20	Responsible Officer – Chief Executive Officer	
V3	22.08.2023	CEO approved	Responsible Officer – Chief Executive Officer	
			REVIEW DUE	07.2024

DISTRIBUTION AND DISSEMINATION

Internal email to all employees	X	Section meetings / Toolbox talks	X
Internal email to all councillors		Included in employee inductions	X
Employee noticeboards		Uploaded to Council website	
Internal training to be provided	X	External training to be provided	
Registered in magiQ	X		



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1. PURPOSE

Mount Isa City Council ("Council") has zero tolerance for fraud and corruption relating to Council activities and this policy details our commitment to rigorously manage the risks of fraud and corruption, and to investigate all instances of suspected fraudulent or corrupt conduct.

Council aims to minimise its exposure to the risk of fraud and corruption through early detection and preventative measures.

2. COMMENCEMENT

This Policy will commence from 22 August 2023. 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 early detection, prevention and elimination of all forms of fraud and corruption, and the creation of an ethical environment and culture that discourages and prevents fraud and corruption.

4.2 All Council workers are responsible for the prevention and detection of fraud and corruption and must comply with the [Fraud and Corruption Prevention Framework](#).

4.3 All Council workers 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 Policy and Framework

- a) Council provides a clear statement regarding its zero tolerance to fraud and corruption and how it seeks to mitigate against such risks, in both its Fraud and Corruption Prevention Policy (this Policy) and its [Fraud and Corruption Prevention Framework](#).

5.2 Risk Management System

- a) Council has adopted a robust [Enterprise Risk Management Framework](#) that will apply risk management processes to its fraud and corruption prevention strategies.
- b) 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](#).

5.3 Internal Controls

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- 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.

5.4 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 another delegate appointed by the Chief Executive Officer ("CEO").
- 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) Council places value on reporting by workers and has a reporting policy procedure in place to assist reporting.

5.5 Protection for Disclosers

- a) Council acknowledges that under the *Public Interests Disclosure 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. Refer to Council's Public Interest Disclosure Policy for more information. Council is committed to providing protection and support for all disclosers.

5.6 External Reporting

- a) By law, all allegations of corrupt conduct, which includes allegations of fraudulent conduct, must be reported to the Crime and Corruption Commission ("CCC").
- b) The Corporate Governance Coordinator 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 them except for complaints against the Public Official.
- c) Complaints against the Public Official (i.e CEO) may be referred to the CCC by the Mayor in accordance with the Complaints About a Public Official Policy.
- d) The Corporate Governance Coordinator 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.

5.7 Investigations

- a) The CEO shall organise an appropriate investigation of all fraud and corruption complaints, except for complaints against them. These complaints are to be managed by the Mayor in accordance with the Complaints About a Public Official Policy.



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- b) Investigations regarding Councillor conduct will be undertaken in accordance with the [Councillor Investigation Policy](#).

5.8 Code of Conduct

- a) Councillors and Council Employees must abide by the [Code of Conduct for Councillors](#) and [Code of Conduct for Employees](#) respectively. These Codes clearly define the standards for ethical behaviour and the obligations in relation to fraud and corruption reporting.

5.9 Organisational Culture

- a) Council is committed to creating an organisational culture that is resilient to fraud and corruption risk and will provide education and training and creating a fraud-resistant culture.

5.10 Stakeholder and Community Awareness

- a) Council places value on creating awareness in the community of the organisation's zero tolerance towards fraud and corruption.

6. REPORTABLE LOSSES

6.1 Pursuant to the *Local Government Regulation 2012* s307A(3), if the CEO is satisfied a material loss is also a reportable loss, they must notify, as soon as practicable, but not more than 6 months after they become aware of the loss:

- a) the Minister
- b) the Auditor-General
- c) for a loss resulting from the commission of an offence under the Criminal Code or another Act – a police officer
- d) for a loss resulting from the corrupt conduct of a Councillor, local government employee or a local government worker – the Crime and Corruption Commission

7. VARIATIONS

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

8. BREACH OF POLICY

8.1 Where Council reasonably believes an employee has breached this Policy, the matter will be dealt with under the [Performance and Misconduct Policy](#).

9. COMMUNICATION AND DISTRIBUTION

9.1 Council will make available to the public, the Fraud and Corruption Prevention Policy on our website at www.mountisa.qld.gov.au

9.2 Supervisors will ensure the Policy is distributed as per the Distribution and Dissemination table on this Policy.



10. ASSOCIATED LEGISLATION AND POLICIES

- *Crime and Corruption Act 2001*
- *Criminal Code Act 1899*
- *Local Government Act 2009*
- *Local Government Regulation 2012*
- Code of Conduct for Employees
- Fraud and Corruption Prevention Framework
- Enterprise Risk Management Policy
- Enterprise Risk Management Framework and Guidelines
- Public Interest Disclosure Policy



Appendix 1: Definitions

The following definitions (drawn in part from AS 8001-2008 Fraud and Corruption Control) are provided to assist in the use of a common terminology.

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

Corruption - Dishonest activity in which a councillor, Chief Executive Officer, manager, employee, contractor or agent acts contrary to the interests of Council and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or agency.

The following actions are examples of corruption in the context of Council:

- Payment or receipt of secret commissions (bribes), which may be paid in money or in some other form of value to the receiver and may relate to a specific decision or action by the receiver or generally;
- Release of confidential information in exchange for some form of non-financial benefit or advantage to the employee releasing the information;
- Collusive tendering;
- Payment or solicitation of donations for an improper political purpose;
- Serious conflict of interest involving a senior executive of Council acting in his or her own self-interest rather than the interests of Council;
- Serious nepotism or cronyism where the appointee is inadequately qualified to perform the role to which appointed;
- Manipulation of the procurement process by favouring one tenderer over others or selectively providing information to some tenderers;
- Gifts or entertainment intended to achieve a specific or generic commercial outcome in the short- or long-term - an essential element rendering conduct of this type corrupt would be that it is in breach of the entity's values, behavioural code or gifts policy or that it was done without the appropriate transparency;
- Bribing officials in order to secure a contract for the supply of goods or services; and 'Facilitation' payments - small one-off payments in cash or in kind intended to secure prompt delivery of goods or services.

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 Council 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.

The following actions are examples of fraud in the context of Council:

- evasion of payments owing to Council; false invoicing;



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- obtaining by deceit, benefits to which the recipient is not entitled such as improper reimbursement of expenses or travel allowances;
- charging for goods or services not delivered or only part delivered; false timesheet claims or misrepresenting time and work commitments; theft of Council property, resources, inventory or cash;
- theft, misuse or wrongful use of information for financial or other gain;
- abuse of position or discretion such as accepting gifts or bribes to facilitate an outcome or gain some form of financial advantage;
- false accounting; credit card fraud;
- abuse of Council facilities or assets for personal use; disclosing confidential information for personal gain;
- making false statements or altering signatures or other information and materials so as to mislead or misrepresent a position or hide wrongdoing; and
- destroying or removing records without approval for personal gain or to conceal fraudulent activity.

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

Fraud and Corruption Prevention Framework - A document summarising an agency's anti-fraud and anti-corruption strategies.

Fraud and Corruption Risk Assessment - The application of risk management principles and techniques in assessing the risk of fraud and corruption within an agency and its business processes.

Risk - The chance of an event that will have a positive or negative impact upon the desired objectives. It is measured in terms of likelihood and consequences.

Enterprise Risk Management - The structured approach of aligning strategy, processes, people, technology and knowledge with the purpose of identifying, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable organisation's to minimise potential losses and maximise positive outcomes. Enterprise-wide means the removal of traditional functional, divisional, departmental or cultural barriers.

Official Misconduct - Official Misconduct is defined formally in the *Crime and Corruption Act 2001*. It is paraphrased as being any serious misconduct relating to the performance of an officer's duties that is dishonest or lacks impartiality, or involves a breach of trust, or misuse of officially obtained information. The conduct must be serious enough to be a criminal offence or to justify dismissal. The act may be official misconduct even if the person:

- is no longer a public official
- was not at the time but is now a public official
- committed the misconduct outside Queensland
- did not receive money or a personal benefit



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Trying to influence a public official to act improperly is also classed as official misconduct.

Local government worker – is an employee or agent, of the local government who is authorised by the local government to act on behalf of the local government under the *Local Government Act 2009* or *Local Government Regulation 2012*

Material Loss – for an asset belonging to a local government means:

- For money – a loss of more than \$500; or
- For any other asset – a loss valued by the chief executive officer of more than \$1000.

Reportable Loss – for an asset belonging to the local government, means a loss resulting from;

- the commission of an offence under the Criminal Code or another Act; or
- the corrupt conduct of a Councillor, local government employee or local government worker; or
- 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.