



# Management of Fraud and Corruption Policy

*Crime & Corruption Act 2001*

# 1. POLICY STATEMENT

This policy records the Townsville City Council's 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.

## 2. PRINCIPLES

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

The Council will develop and maintain a Fraud Management Framework and support the implementation of the Corporate Fraud Management Response Plan.

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

## 3. SCOPE

This policy applies to all people acting for or on behalf of the Townsville City Council, including Councillors, and Workers. The Fraud Management Framework applies to all Council activities and must be followed by all people acting for or on behalf of the Council.

## 4. RESPONSIBILITY

It is the responsibility of the Chief Executive Officer to ensure compliance with this policy.

## 5. DEFINITIONS

**Corruption** – means 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.

**Fraud** – means 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.

**Manager** – includes persons appointed to positions including with the title, Team Manager, General Manager, Director and Chief.

**Workers** – includes employees, contractors, volunteers and all others who perform work on behalf of Council.

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## 6. POLICY

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

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 Management Framework.

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

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.

Townsville City Council will attempt to recover funds where there is clear evidence of fraud or corruption, and where the likely benefits will exceed the funds and resources invested in the recovery action.

## RISK ASSESSMENT

Council will undertake a fraud and corruption risk assessment at least every two years. After each review, Council will update its Fraud and Corruption Management Plan.

## INTERNAL CONTROLS

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 Internal Control Framework, operating in conjunction with established audit and financial management practices.

## REPORTING

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, to the Investigations Coordinator, Chief Legal Officer or delegate. The Public Interest Disclosure Form may be completed where a matter of fraud is being reported.

Concerns and suspicions must be reported as soon as possible. A Worker must not attempt to investigate further themselves.

The Council must ensure that any report of suspected fraud or corruption is treated confidentially to the fullest extent possible under the law.

## EXTERNAL REPORTING

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).

The Chief Legal Officer or delegate is the designated contact officer for the CCC, and all reports to the CCC must be made by him or her.

The Chief Legal Officer or delegate must ensure that reports of fraudulent or corrupt conduct are made to the Queensland Audit Office as appropriate.

## PUBLIC INTEREST DISCLOSURE

The Council acknowledges that under the *Public Interest 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. The Chief Legal Officer or delegate is the designated contact officer for the Queensland Ombudsman, and all reports to the Queensland Ombudsman must be made by them.

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## INVESTIGATIONS

There is a particular process that must be followed when investigating allegations of fraudulent or corrupt conduct. Matters will be reviewed by Legal Services and an investigation will be carried out by People and Culture or the Investigations Coordinator or an independent external investigator and in accordance with the Corporate Fraud Management Response Plan.

Other workers must not commence or pursue investigations unless authorised by the Chief Legal Officer.

## 7. LEGAL PARAMETERS

*Local Government Act 2009*

*Local Government Regulation 2012*

*Crime & Corruption Act 2001*

*Public Interest Disclosure Act 2010*

*Criminal Code Act 1899*

## 8. ASSOCIATED DOCUMENTS

Fraud Management Framework

Corporate Fraud Management Response Plan

Fraud Risk Assessment & Management Plan

Internal Control Framework

Enterprise Wide Risk Management Strategic Framework and Process

Public Interest Disclosure Policy

Public Interest Disclosure Standard No. 1/2019

Public Interest Disclosure Standard No. 2/2019

Public Interest Disclosure Standard No. 3/2019

## 9. DOCUMENT HISTORY

Date	Version	Amendment	Reviewer	Approved
02.02.23	7	Remove word "Principal" from definition of Manager Remove gender-specific language Update references to Investigations Coordinator	IHC	02.02.23

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