

Policy



STRATEGIC

FRAUD AND CORRUPTION CONTROL

Head of Power

Local Government Act 2009

Local Government Regulation 2012

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan 2022 – 2027

- Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values.
- Compliant with relevant legislation.

Definitions

Fraud is defined in the Australian Standard AS8001-2021: Fraud and Corruption Control, as: Dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where 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.

For clarity, conduct does not have to be illegal to be considered fraud.

Corruption is defined in Australian Standard AS8001-2021: Fraud and Corruption Control, as: Dishonest activity in which a person associated with an organisation (eg. director, executive, manager, employee or contractor) acts contrary to the interests of the organisation and abuses their position of trust to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly.

Corrupt Conduct As defined in Section 15 of the *Crime and Corruption Act 2001*:

- (1) **Corrupt conduct** means conduct of a person, regardless of whether the person holds or held an appointment, that:
 - (a) adversely affects, or could adversely affect, directly or indirectly, the performance of functions or the exercise of powers of:

Group: People, Customer & Corporate Services
Unit: Governance & Property
Approved: Ordinary Meeting (Resolution Number 20-24/0839)
Date Approved: 21/06/2023

Effective Date: 21/06/2023
Version: 1.0 Last Updated: 11/05/2023
Review Date: 30/09/2026
Superseded/Revoked: Fraud and Corruption Policy SG 22 ECM:
4073214

- (i) a unit of public administration; or
- (ii) a person holding an appointment; and
- (b) results, or could result, directly or indirectly, in the performance of functions or the exercise of powers mentioned in paragraph (a) in a way that:
 - (i) is not honest or is not impartial; or
 - (ii) involves a breach of the trust placed in a person holding an appointment, either knowingly or recklessly; or
 - (iii) involves a misuse of information or material acquired in or in connection with the performance of functions or the exercise of powers of a person holding an appointment; and
- (c) would, if proved, be:
 - (i) a criminal offence; or
 - (ii) a disciplinary breach providing reasonable grounds for terminating the person's services, if the person is or were the holder of an appointment.

(2) **Corrupt conduct** also means conduct of a person, regardless of whether the person holds or held an appointment, that:

- (a) impairs, or could impair, public confidence in public administration; and
- (b) involves, or could involve, any of the following:
 - (i) collusive tendering;
 - (ii) fraud relating to an application for a licence, permit or other authority under an Act with a purpose or object of any of the following (however described):
 - A. protecting health or safety of persons;
 - B. protecting the environment;
 - C. protecting or managing the use of the State's natural, cultural, mining or energy resources;
 - (iii) dishonestly obtaining, or helping someone to dishonestly obtain, a benefit from the payment or application of public funds or the disposition of State assets;
 - (iv) evading a State tax, levy or duty or otherwise fraudulently causing a loss of State revenue;
 - (v) fraudulently obtaining or retaining an appointment; and
- (c) would, if proved, be:
 - (iii) a criminal offence; or
 - (iv) a disciplinary breach providing reasonable grounds for terminating the person's services, if the person is or were the holder of an appointment.

Corrupt Conduct includes an attempt or a conspiracy to engage in the conduct, as well as neglect, failure or inaction that adversely affects a public agency or official in the ways described above.

Council Lockyer Valley Regional Council (LVRC)

Policy Objective

The objective of this policy is to:

- establish Council's commitment to:
 - implement and embed an integrity culture that upholds the principles of honesty, integrity and transparency in its business practices that conforms to Australian Standard AS8001-2021: Fraud and Corruption Control

- enable staff to understand their obligations and embed fraud and corruption management controls to prevent fraud and corruption occurring within Council, and
- effectively prevent, detect, respond to and report on incidents of suspected fraud and corruption within Council.
- provide for practical and effective procedures for reporting and managing suspected incidents of fraud and corruption.
- ensure that Council fulfils its responsibilities under the *Local Government Act 2009* and the *Crime and Corruption Act 2001*.

Policy Statement

Lockyer Valley Regional Council has zero tolerance for corruption and fraud and is committed to acting in the best interest of the community and upholding the principles of honesty, integrity and transparency. Fraud and corruption can expose Council to significant financial loss and reputational damage and diminish public confidence in Council, its business operations and stakeholder relationships. It is totally unacceptable for any councillor, employee, contractor, volunteer or affiliate to engage or participate in corruption or fraud.

Council is committed to:

- implementing and embedding an integrity culture that upholds the principles of honesty, integrity and transparency in its business practices that conforms to Australian Standard AS8001-2021: Fraud and Corruption Control
- taking a risk management approach to the prevention, identification and management of fraud and corruption
- reducing or removing the potential for fraudulent or corrupt conduct on the part of its Councillors, employees, contractors, volunteers, clients and suppliers
- detecting fraudulent or corrupt conduct through the systematic processes articulated in Fraud & Corruption Control Plan (the Plan)
- investigating or otherwise formally enquiring into all instances of suspected fraudulent or corrupt conduct exposed as a result of our detection processes, or as a result of receiving an allegation of fraudulent or corrupt activities
- managing, disciplining or facilitating the prosecution of those responsible for incidents of fraud and corruption as appropriate
- reporting on incidents of suspected fraud and corruption within Council
- minimising the risk of fraud and corruption, and
- ensuring the continuing organisational integrity and transparency of its operations.

Council officers have a responsibility and an obligation to report suspected or known incidents of fraud or corruption.

Council will take action against anyone who takes reprisal action against a Council officer who reports suspected or known incidents, consistent with Council's Public Interest Disclosure Policy and Procedure.

Council recognises that fraud and corruption prevention and control are integral components of good governance and risk management.

Human Rights

Council is committed to respecting, protecting and promoting human rights. Council has an obligation under the *Human Rights Act 2019* to give proper consideration to human rights when making a decision, and to act and make decisions in a way that is compatible with human rights. To the extent that an act or decision under this

policy may engage human rights, Council will have regard to the *Human Rights Act 2019* in undertaking the act or making the decision.

Relevant Legislation

Crime and Corruption Act 2001

Criminal Code Act 1899

Human Rights Act 2019

Public Interest Disclosure Act 2010

Public Records Act 2022

Public Sector Ethics Act 1994

Related Documents

Fraud and Corruption Control Plan

Councillor Code of Conduct

Employee Code of Conduct

Risk Management Policy

Risk Management Framework Guideline

Public Interest Disclosure Policy

Public Interest Disclosure Procedure

Conflict of Interest Policy

Conflict of Interest Procedure

Related Party Disclosure Policy

Related Party Disclosure Guideline

Complaints Management Policy

Complaints Management Procedure

Australian Standard AS8001-2021: Fraud and Corruption Control