



## 1 HEAD OF POWER

---

- *Local Government Act 2009 (Qld)*
- *Local Government Regulation 2012 (Qld)*
- *Crime and Corruption Act 2001 (Qld)*
- *Public Interest Disclosure Act 2010 (Qld)*

## 2 POLICY PURPOSE

---

The purpose is to set out Pormpuraaw Aboriginal Shire Council's (Council) combined policy and action plan to prevent and manage fraud and corruption. Council is committed to preventing and controlling fraud and corruption. This policy provides a framework for establishing clear expectations, responsibilities, and processes to detect, prevent, and respond to fraudulent and corrupt activities, ensuring compliance with legal obligations and promoting an ethical organisational culture.

## 3 POLICY OBJECTIVE

---

The policy seeks to:

- Promote honesty, integrity, and transparency across all Council operations;
- Minimise the risk and impact of fraud and corruption within Council;
- Ensure all employees and stakeholders understand their role in preventing and reporting fraud and corruption; and
- Establish effective procedures for detecting, reporting, and managing instances of fraud and corruption.

## 4 POLICY SCOPE

---

The policy applies to all Councillors, employees, contractors, consultants, and volunteers.

## 5 POLICY STATEMENT

---

The Pormpuraaw Aboriginal Shire Council has zero tolerance for fraud and corruption. All personnel are expected to adhere to the highest standards of ethical behaviour in line with the Employee and Councillor Codes of Conduct.

The CEO and Senior Management will lead by example and ensure adherence to this policy.

Council encourages a transparent reporting culture, ensuring that employees and the community feel safe to report concerns.

## 5.1 FRAUD AND CORRUPTION CONTROL STRATEGIES

### 5.1.1 Prevention

The objective is to deter fraud and corruption before it occurs by fostering an ethical culture and establishing strong internal controls by utilising the following controls:

- **Code of Conduct:** All Councillors and employees must comply with Council's Code of Conduct, which defines ethical standards.
- **Employment Screening:** Council will conduct due diligence on potential employees and contractors.
- **Contract Management:** Contracts will include anti-fraud clauses, ensuring compliance among third-party service providers.
- **Risk Assessment:** Fraud risks will be identified and assessed quarterly as part of Council's Enterprise Risk Management process.

### 5.1.2 Detection

The objective is to identify fraud or corruption at the earliest possible stage by utilising the following controls:

- **Audit and Controls:** Regular audits will focus on areas vulnerable to fraud, such as cash handling, procurement, and asset management.
- **Transaction Monitoring:** Data analytics and financial reviews will be employed to spot irregular activities.
- **Reporting Mechanisms:** Employees and community members are encouraged to report suspicions of fraud through multiple confidential channels.

### 5.1.3 Response

The objective is to take immediate and appropriate action in response to detected fraud or corruption by utilising the following controls:

- **Initial Action:** Upon a report, Council will secure any relevant evidence and take steps to stop further fraudulent activity.
- **Investigation:** All allegations of fraud and corruption will be investigated following procedural fairness and confidentiality. Supervisors may manage minor cases, while significant cases are escalated.
- **Disciplinary and Legal Measures:** Proven instances of fraud or corruption may result in disciplinary action, termination, and referrals to law enforcement or regulatory bodies if warranted.

## 5.2 FRAUD AND CORRUPTION REPORTING PROCESS

This process outlines how employees, Councillors, and community members can report suspected fraud or corruption within Council.

### 5.2.1 Reporting Fraud or Corruption Internally

#### Who to Contact:

- Employees and Councillors should report suspected fraud or corruption to their immediate supervisor or manager.
- If the suspicion involves a senior manager or if the reporter feels uncomfortable reporting to their supervisor, the report can be made directly to the CEO.
- If the report involves the CEO, employees and Councillors should contact the Mayor.

#### How to Report:

- Reports can be made in person, in writing, or anonymously if preferred.
- Council encourages all reports to include as much detail as possible, such as the nature of the suspected fraud, names of individuals involved, dates, and any supporting evidence.

#### Confidentiality:

- Council treats all reports confidentially, and will take steps to protect the identity of the reporter, as far as is legally possible.
- Reports that meet the criteria for a Public Interest Disclosure (PID) will be managed according to the *Public Interest Disclosure Act 2010* to offer additional protections.

### 5.2.2 Reporting Fraud or Corruption Externally

#### Crime and Corruption Commission (CCC):

- The CEO is responsible for notifying the CCC of any suspected corrupt conduct in line with the Crime and Corruption Act 2001 (Qld).
- If an employee suspects corruption by the CEO, they should report directly to the CCC or the Office of the Independent Assessor.

#### Office of the Independent Assessor (OIA):

- The OIA primarily deals with complaints about councillors' behaviour in Queensland under the *Local Government Act 2009 (Qld)*.
- Complaints involving misconduct or inappropriate behaviour by councillors—including breaches of the council's Code of Conduct or actions that don't reach the threshold of corruption but violate behavioural standards—should go to the OIA.

### **Public Interest Disclosures (PID):**

- Reports that may qualify as PIDs under the Public Interest Disclosure Act 2010 (Qld) include cases of corrupt conduct, substantial misuse of public resources, or dangers to public health and safety.
- Council will protect individuals making a PID from retaliation, and such disclosures will be handled with heightened confidentiality and care.

### **5.2.3 Investigation of Reports**

Where appropriate for Councillor complaints, the OIA and/or CCC will be initially informed before proceeding.

#### **Initial Review:**

- The manager or CEO will conduct an initial review of the report to assess its validity and determine the appropriate course of action
- For minor issues, management may handle the response directly. Serious allegations are escalated to ensure a full investigation.

#### **Investigation Process:**

- All investigations will follow the principles of procedural fairness, allowing all parties to respond to allegations.
- Investigations may involve internal employees or, in some cases, may require assistance from external bodies or independent investigators.

#### **Outcome and Action:**

- If fraud or corruption is substantiated, disciplinary actions will be taken. These may include termination of employment or referral to law enforcement.
- The CEO will report confirmed cases of fraud and corruption to the Audit Committee for oversight and to inform future preventative measures.

### **5.2.4 Reporting of Losses**

If suspected fraud or corruption results in a material loss (e.g., loss of cash or assets above specific thresholds), the CEO will report the incident to the appropriate authorities, including the Minister, Auditor-General, and Queensland Police Service as necessary.

Material Losses are losses that equate to \$500 or an asset valued at \$2,000.

### **5.2.5 Recovery of Losses**

To recover losses incurred through fraudulent activities Council will where applicable will:

- seek restitution through insurance policies covering losses from fraud; or
- pursue legal action to reclaim financial losses resulting from fraud.

## 5.2.6 Protection and Support for Disclosure

Council is committed to fostering a safe environment for employees, Councillors, contractors, and community members to report suspected fraud, corruption, or other misconduct without fear of retaliation. In addition to complying with the protections afforded under the *Public Interest Disclosure Act 2010*, Council pledges to actively safeguard all whistleblowers from any form of reprisal or adverse treatment as a result of their disclosure.

### **Work Health and Safety Act 2011**

Organisations have a responsibility to ensure the health and safety of their employees. Failing to take this responsibility seriously is a breach of the Work Health and Safety Act 2011 (Qld).

### **Crime and Corruption Act 2001**

Many reports of fraud or corruption will be classified as reports of corrupt conduct as defined in the Crime and Corruption Act 2001 (Qld) (CC Act). The CC Act includes provisions to protect those who make reports of corrupt conduct.

### **Public Interest Disclosure Act 2010**

Some reports about fraud and corruption will be classified as a public interest disclosure (a PID). A PID is a disclosure of information as a result of a genuine concern about the possible serious wrongdoing of public officers, or of others who may be acting in a way that is not in the public interest.

Councils' practices must ensure that anyone making a disclosure receives the protection afforded under the PID Act to the full extent possible.

## 6 HUMAN RIGHTS COMPATIBILITY STATEMENT

This policy has been assessed as compatible with Human Rights protected under *the Human Rights Act 2019*.

## 7 DEFINITIONS

Term	Definition
CEO	A person who holds an appointment as chief executive officer under section 194 of the <i>Local Government Act 2009</i> .
Council	Porpuraaw Aboriginal Shire Council
Corrupt Conduct	means conduct of a person, regardless of whether the person holds or held an appointment, that— <ol style="list-style-type: none"> <li>a) impairs, or could impair, public confidence in public administration; and</li> <li>b) involves, or could involve, any of the following—               <ol style="list-style-type: none"> <li>i. collusive tendering;</li> </ol> </li> </ol>

Term	Definition
	<p>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) —</p> <p>A. protecting health or safety of persons;</p> <p>B. protecting the environment;</p> <p>C. protecting or managing the use of the State's natural, cultural, mining or energy resources;</p> <p>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;</p> <p>iv. evading a State tax, levy or duty or otherwise fraudulently causing a loss of State revenue;</p> <p>v. fraudulently obtaining or retaining an appointment; and</p> <p>c) would, if proved, be—</p> <p>i. a criminal offence; or</p> <p>ii. a disciplinary breach providing reasonable grounds for terminating the person's services, if the person is or were the holder of an appointment.</p> <p>Corrupt conduct may include, but is not limited to:</p> <ul style="list-style-type: none"> <li>• abuse of public office;</li> <li>• bribery, including bribery relating to an election;</li> <li>• extortion;</li> <li>• obtaining or offering a secret commission;</li> <li>• fraud;</li> <li>• stealing;</li> <li>• forgery;</li> <li>• perverting the course of justice;</li> <li>• an offence relating to an electoral donation; or</li> <li>• loss of revenue of the State.</li> </ul>

Term	Definition
Fraud	<p>shall mean a deliberate intent to facilitate or conceal the misappropriation of assets or the taking of an unlawful advantage or benefit.</p> <p>Fraud may include, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Theft;</li> <li>• Obtaining property, a financial advantage or any other benefit by deception;</li> <li>• Causing a loss, avoiding or obtaining a benefit by deception;</li> <li>• Knowingly providing false or misleading information to Council, or failing to provide information where there is an obligation to do so;</li> <li>• 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;</li> <li>• Using forged or falsified documentation for an improper purpose;</li> <li>• Deliberate misstatement of accounting information for an improper purpose.</li> </ul>
Misconduct	As defined in section 150L of the <i>Local Government Act 2009</i> .
Public Interest Disclosure	<p>Per the <i>Public Interest Disclosure Act 2010</i>, and is any disclosure made by a public officer to a supervisor, an internal auditor or investigator, the Chief Executive Officer or an external investigation agency, which contains information about:</p> <ul style="list-style-type: none"> <li>• Official misconduct</li> <li>• Maladministration that adversely affects anyone's interests in a substantial and specific way</li> <li>• Negligent or improper management resulting or likely to result in a substantial waste of public funds (provided that the disclosure is not based on mere disagreement) a substantial and specific danger to public health or safety or</li> </ul>

Term	Definition
	to the environment and or a reprisal taken against anyone for having made a public interest disclosure.

## 8 RELATED POLICS AND OTHER DOCUMENTS

### Policies:

- Councillor Code of Conduct
- Employee Code of Conduct
- Enterprise Risk Management Framework

## 9 MONITORING AND REVIEW

Council will monitor key metrics, such as incident reports, training completion rates, and audit findings, to evaluate the policy's effectiveness.

Notwithstanding the above, this policy is to be reviewed every four (4) years for relevance and to ensure that its effectiveness is maintained.

## 10 RESPONSIBILITY

This Policy is to be implemented by the CEO; and reviewed and amended in accordance with the by the Executive Manager Corporate Services.

Further responsibilities are per the following:

### 10.1 CHIEF EXECUTIVE OFFICER (CEO) AND EXECUTIVE MANAGERS

- The CEO and Executive Managers are expected to set a strong example of ethical behaviour and integrity.
- If the CEO reasonably suspects any corrupt conduct, they must report it to the Crime and Corruption Commission (CCC) as required by law.
- Executive Managers are responsible for ensuring that fraud and corruption prevention measures are actively applied across all work areas and considered in both annual and long-term plans.

### 10.2 MANAGERS AND SUPERVISORS

- Managers and supervisors should be aware of the potential for fraud and corruption in their teams and areas.
- They must regularly review their processes to identify any risks of fraud or corruption.
- Managers are responsible for maintaining safe work practices and reporting any suspected fraud or corruption.

### 10.3 EMPLOYEES

- All employees must use official resources responsibly and handle public funds with care, whether handling cash, payments, or working with suppliers.
- Employees should be alert to any unusual activities or transactions that might signal fraud or corruption.
- Employees are required to report any suspicions of fraud or corruption immediately.
- Everyone must fully cooperate with internal checks or investigations related to potential fraud or corruption.
- All employees with knowledge of any fraudulent or corrupt activity must report it to their supervisor, manager, or directly to the CEO.

### 10.4 AUDIT COMMITTEE

- Fraud-related issues will be reported to the Audit Committee through the CEO. This allows the Committee to understand the Council's exposure to fraud and assess the strength of its systems to prevent, detect, and respond to fraud.
- The Audit Committee's responsibilities include:
- Reviewing whether management has an effective risk management framework to identify and manage business and financial risks, including fraud.
- Ensuring that the Council has proper processes to capture and investigate information related to fraud.
- Reviewing reports on any fraud allegations, updates on ongoing investigations, and any changes in the level of fraud risk within the organisation.
- Providing feedback and recommendations on internal control improvements based on insights from internal and external auditors.

## 11 VERSION CONTROL

Version	Details	Resolution No	Date
V1	Developed and approved		14 Sep 2015
V2	Reviewed and updated		28 May 2025