

GOV-007-F
Redland City Council
Fraud and Corruption
Control Framework



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Executive Summary

Purpose

The purpose of the Fraud and Corruption Control Framework (Framework) is to:

- minimise opportunities for fraud and corruption (whether committed by internal or external parties).
- protect public monies, property and information and organisational and individual rights and
- maintain the effectiveness of Council operations.

Its implementation will ensure that our workforce acts legally, ethically and with integrity in the public interest.

Scope

The Fraud and Corruption Control Framework applies to all Councillors, Council employees, contractors and volunteers and is based upon two best practice fraud and corruption control resources:

- Queensland Crime and Corruption Commission – Fraud and corruption control guidelines for best practice (CCC Guidelines).
- Standards Australia – AS 8001-2021 Fraud and Corruption Control (the Standard)

Risk Management Approach

As an integral part of Council's Enterprise Risk Management Framework, this framework includes proactive measures designed to enhance system integrity (prevention measures) and reactive responses (reporting, detecting and investigative activities).

Structure

The Framework consists of a suite of tools and resources including:

- the Council's Fraud and Corruption Control Policy Statement
- its Fraud and Corruption Control Plan
- its Fraud and Corruption Control Guideline
- supporting policies including Code of Conduct and the Complaints about the Public Official Policy.

Goals and Objectives

Through Council's Fraud and Corruption Control Policy and Guideline, the Framework aims too clearly articulate:

- Councils' commitment to a zero-tolerance attitude towards fraud and corruption
- its approach to controlling fraud and corruption with and against Council
- the embedding of a strong and proactive fraud and corruption control culture within the organisational structure
- Council roles and responsibilities for fraud and corruption control
- Council approach to prevent, detect and respond to fraud and corruption threats
- A summary of:
 - the fraud risks (internal and external) associated with Council's functions
 - the controls in place to minimise the opportunity for fraud and corruption
 - their implementation details and
 - how any suspected instances of fraud and corruption are dealt with by Council

What is fraud and corruption?

Fraud and corruption can take many forms. Fraudulent and corrupt conduct by public officers may fall within the category of 'corrupt conduct' under the *Crime and Corruption Act 2001*. In addition, many forms of fraud and corruption are offences under the *Criminal Code Act 1899*. These include false claims, stealing, and misappropriation of property, false pretence, forgery and receipt or solicitation of secret commissions. The following definitions of 'fraud', 'corruption', 'misconduct' and 'corrupt conduct' are used throughout this document.

Fraud

Dishonest activity causing actual or potential loss to any person or entity including the theft of monies or other property by employees or persons external to the entity and 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 purpose or the improper use of information or position for personal benefit.

Examples of the types of conduct that would fall within the definition of fraud include (but are not limited to):

- Theft of Council assets and monies
- Misuse of Council assets, equipment or facilities
- Misuse of Council credit cards
- Timesheet fraud
- Accounting fraud (false invoices, misappropriation etc.)
- Unlawful use of, or obtaining property, equipment, material or services
- Providing false or misleading information to Council
- Making, or using false and forged documents
- Wrongfully using Council information or intellectual property

Corruption

Dishonest activity in which the employee of an organisation acts contrary to the interest of the organisation, in order to achieve some gain or advantage, or to avoid loss or disadvantage, for the employee or for another person or entity. Corruption can include, but is not limited to, behaviour such as fraud, deception, misuse of a position or authority.

Examples of the types of conduct that would fall within the definition of corruption include (but are not limited to):

- Bribery, domestic or foreign – obtaining, offering or soliciting secret commissions, kickbacks or gratuities
- Fraud, forgery and embezzlement
- Theft or misappropriation of official assets
- Nepotism – preferential treatment of family members
- Cronyism – preferential treatment of friends
- Acting (or failing to act) in the presence of a conflict of interest
- Unlawful disclosure of Council information
- Blackmail
- Perverting the course of justice
- Colluding, conspiring with, or harbouring criminals

- Insider trading – misusing official information to gain an unfair private, commercial or market advantage for self or others
- Green-lighting – making official decisions that improperly favour a person or company, or disadvantage another.

Misconduct

Inappropriate or improper conduct in an official capacity or inappropriate or improper conduct in a private capacity that reflects seriously and adversely on the local government.

Corrupt Conduct

A matter involving an offence that can lead to termination and a criminal offence for employees and Councillors.

Common examples of fraud and corruption

Type of Fraud	Examples of related risks
Rate Revenue Fraud – Fraudulent manipulation of rates to receive a self-benefit	Incorrectly claiming pensioner discounts to benefit employees, friends, family and colleagues. Making changes to rates details to benefit employees, friends, family and colleagues.
Development applications and rezoning – Frauds relating to development applications and rezoning of land for commercial and residential purposes	Misuse of commercially sensitive information; Providing kickbacks to Councillors or Council staff for favourable decisions; Undeclared conflicts of interest involving Councillors and/or Council staff.
Service delivery fraud – Frauds relating to the use of Council provided services to which the resident would normally not be entitled	Oversupplying goods or services to benefit third parties Undersupplying to 'skim' good or services (or time that would normally be devoted to the service)
Compensation fraud – Frauds relating to falsely claiming Council responsibility for incidents and accidents and attempting to falsely claim compensation	Falsely claiming pedestrian accidents on footpaths or Council premises; Falsely claiming road quality-related accidents; Falsely claiming storm water or drainage related incidents.
Grants fraud – Frauds relating to grant funds not being used for the intended service delivery objective.	Overpaying of grants, duplicating payments of grants or having grants claimed multiple times; Redirecting grant funds to personal accounts; Poor record keeping for grants, resulting in misstatement; Providing grants to individuals or organisations that don't meet the required criteria.

Particular functions and activities undertaken can be inherently risky. For example, procurement fraud is a significant risk in the local government context because of the high volume of services Council procures from businesses in their local communities and the possibility that Council employees can be linked through either personal or professional relationship to those businesses.

Types of Council business functions susceptible to fraud risk includes:

Type of Fraud	Examples of related risks
Procurement Fraud –	Unauthorised use of corporate credit or fuel cards; Paying claims for goods or services that were not delivered;

Frauds relating to the process of acquisition of goods, services and project delivery from third parties	Receiving kickbacks or being involved in bribery, corruption or coercion related to manipulation of the procurement process
Travel and allowance fraud – Frauds relating to falsely claiming reimbursement of costs of allowances for which there is no entitlement	Making claims for journeys not made or overstating distance Reimbursing expenses not related to Council business
Payroll and salary fraud – Frauds relating to claiming pay that doesn't match work performed or conditions of employment	Creating 'ghost' employees to receive additional pay Falsely claiming overtime
Employment fraud – Fraud relating to applicants falsely claiming qualifications and skills above their ability	Misrepresenting skills, capabilities or qualifications to obtain employment Forgery of reference documents
Asset fraud – Using Council assets for other than official purposes or gaining other personal benefit	Manipulation of asset value or fraudulent asset divestment process for personal gain Stealing assets Using Council assets or removing Council assets from premises without authorisation
Exploiting council information – Using confidential or commercially sensitive information for personal gain.	Falsifying official records Providing confidential and sensitive information to others for personal gain Using confidential and sensitive information for personal benefit

Fraud and corruption control policy statement

We are committed to excellence in service performance and in meeting our statutory obligations. This includes maintaining a fraud and corruption prevention culture. We have zero tolerance for fraud and corruption.

We provide all staff and relevant stakeholders with education and training in ethics, integrity and fraud awareness to ensure that we all understand our responsibilities and obligations. Our organisational values and culture, governance and risk management frameworks and controls work together to prevent, detect and respond to potential or actual fraudulent or corrupt conduct.

We will deal appropriately with all allegations of fraud and corruption. All staff are encouraged to report suspected fraudulent and/or corrupt activities to their supervisor or manager or where appropriate, the Chief Executive Officer, who will investigate and deal with the allegation. We will refer any instances of corrupt conduct to the Crime and Corruption Commission (CCC) and/or the Queensland Police Service for investigation and possible prosecution. We will pursue the recovery of any losses incurred from fraud and corruption activities, after considering all relevant issues.

Fraud and Corruption Control Plan

The plan is comprised of three stages – prevention, detection and response, and comprises the ten elements taken from the CCC's Fraud and Corruption Control Best Practice Guide (2018):

Fraud and Corruption Control Model

Element	Distribution across the 3 stages		
	Prevention	Detection	Response
1. Coordination mechanisms	√		
2. Risk management system	√	√	√
3. Internal controls	√	√	√
4. Reporting processes		√	√
5. Protections for disclosers		√	√
6. External Reporting			√
7. Investigation management processes		√	√
8. Code of conduct	√		
9. Organisational culture change	√	√	√
10. Client and community awareness program	√	√	

Responsibilities

Executive Leadership Team (ELT) members and Managers are required to demonstrate an observably high level of commitment to the control of fraud (zero tolerance on fraud). Balancing fraud control with other high-level corporate and operational responsibilities can be challenging for managers. This Fraud Control Plan is designed to assist by building on a strong governance framework.

In addition, maintaining an ethical culture is a key element of sound governance and plays an important role in preventing fraud and helping to detect if it occurs.

ELT, supervisors and employees are required to abide by Council's code of conduct, which prescribes standards of ethical conduct including: -

- Standards of behaviour, integrity and ethical conduct expected of all employees of the Council to enhance both the public perception and confidence in the Council's administration and the system of local government;
- Standards for compliance with the statutory duty to act honestly and exercise due diligence and a high degree of care;
- In general, Council expects employees to assist in prevention fraud and corruption with Council by:
 - Understanding the responsibilities of their position;
 - Familiarising themselves with, and adhering to, Council's policies and procedures;
 - Understanding what behaviour constitutes fraudulent and/or corrupt conduct;
 - Maintaining an awareness of Council strategies implemented to minimise fraud and corruption;
 - Being vigilant to the potential for fraud or corruption to occur; and
 - Reporting suspected or actual occurrences of fraud or corruption in accordance with this plan.

Councillors are required to abide by the Code of Conduct for Councillors in Queensland, which prescribes standard of behaviour including: -

- Carrying out responsibilities conscientiously and in the best interest of the Council and the community;
- Treat people in a reasonable, just, respectful and non-discriminatory way; and
- Ensure conduct does not reflect adversely on the reputation of Council.

Specific responsibilities

Official/Group	Responsibilities
Councillors	<p>As the decision-making body of Council, Councillors are responsible for ensuring that:</p> <ul style="list-style-type: none"> • Their conduct and behaviour conform with the local government principles and responsibilities of Councillors as detailed within the Local Government Act 2009 and Code of Conduct for Councillors. • Council promotes community awareness of commitment to the prevention of fraud and corruption. • Sufficient resources are allocated to enable the proactive mitigation of fraud and corruption risks.
Chief Executive Officer	<ul style="list-style-type: none"> • Lead and support organisational culture which aligns to Council's zero tolerance of fraud and corruption. • Set the strategic direction and monitor management actions for fraud risk.
Executive Leadership Team	<ul style="list-style-type: none"> • Maintain a corporate governance framework, which includes policies and procedures to minimise Council's vulnerability to fraud and corruption. • Ensure protection of employees who make allegations of suspected fraud and corruption.
Managers and supervisors	<ul style="list-style-type: none"> • Review and update operational risk registers. • Set effective internal controls to detect fraudulent and corrupt activities. • Regularly review relevant control systems as part of the fraud and corruption risk assessment. • Establish adequate segregation of duties for all functions where the potential for fraud or corruption risk has been assessed as high. • Reinforce the requirement for all employees to not engage in corrupt conduct, fraudulent activities or maladministration; • Promote positive values and the benefits of ethical business practices. • Encourage the reporting of any suspected fraud, corrupt conduct or maladministration. • Provide appropriate training to employees to recognise and report all suspected fraud and corruption. • Immediately report all internally reported cases of suspected fraud and corruption to the Head of People, Culture and Organisational Performance.
All employees	<ul style="list-style-type: none"> • Act appropriately when using official resources, handling and using public funds, whether they are involved with cash or payment systems, receipts or dealing with suppliers. • Alert to the possibility that unusual events or transactions could be indicators of fraud or corruption. • Report details immediately if they suspect that a fraudulent or corrupt act has been committed or witness any suspicious acts or events. • Co-operate fully with whoever is conducting internal checks, reviews or investigations into possible acts of fraud or corruption.

Official/Group	Responsibilities
Executive Group Manager Procurement Risk and General Counsel	<ul style="list-style-type: none"> • Council's contact liaison officer with the Crime and Corruption Commission. • Report all suspected fraud and corruption complaints. • Lead the Operational Risk Management Committee.
Service Manager Risk and Liability Services	<ul style="list-style-type: none"> • Facilitate and coordinate risk workshops. • Maintain and update fraud risks within corporate risk registers. • Provide risk advice with respect to reported cases of fraud and corruption. • Ensure all matters of identified fraud and corruption are reported to Insurers as required
Group Manager Corporate Governance	<ul style="list-style-type: none"> • Deliver Internal Audit Plan and function.
Service Manager Ethics and Integrity	<ul style="list-style-type: none"> • Coordination of fraud and corruption prevention and control plan. • Evaluate internal controls used to detect or mitigate fraud, evaluate the organisation's assessment of fraud risk, and provide assistance to management. • As directed by the Chief Executive Officer to undertake investigations of suspected fraud or corruption within Council.
Audit & Risk Management Committee	<ul style="list-style-type: none"> • Monitor and review the integrity of financial documents, the internal audit function and the effectiveness and objectivity of the internal auditors. • Ensure the fraud and corruption prevention guideline is implemented, evaluates management's identification of fraud risk, and oversees the efficiency of internal controls to prevent and detect fraud.

Fraud and Corruption Prevention Policy

As part of fostering an environment that encourages fraud prevention and control a Fraud and Corruption Prevention Policy statement assists employees to understand what fraud is, Council's attitude to fraud, and what to do if they suspect fraud is being perpetrated. The key purpose of a Fraud and Corruption Prevention Policy is to detail what is expected of employees, clients and suppliers and the consequences of engaging in fraudulent conduct. An effective policy on fraud includes:

- The definition of fraud and an outline of the organisation's position on fraud.
- An assurance that all allegations and investigations will be handled confidentially.
- Directions about how allegations/incidents of fraud are to be managed.

Preparation of a Fraud Control Plan

The Fraud Control Plan outlines the strategies and the process for addressing the risk of fraud throughout the organisation.

Fraud Control Strategies

Fraud control requires the implementation of a number of key control strategies which contribute to an effective fraud control framework. These strategies are interdependent and subject to a cyclic process of review and enhancement. The strategies are grouped in four key themes:

- **Fraud prevention** involves those strategies designed to prevent fraud from occurring in the first instance;
- **Fraud detection** includes strategies to discover fraud as soon as possible after it has occurred;

- **Fraud response** covers the systems and processes that assist an organisation to respond appropriately to an alleged fraud when it is detected.
- **Fraud monitoring, reporting and evaluation** are strategies to provide assurance that legislative responsibilities are being met, as well as promoting accountability by providing information that demonstrates compliance with specific fraud control strategies.

For these strategies to be effective in the context of an overarching fraud control framework, each strategy must be subject to active management and ownership within Council. Senior executive oversight through sound governance arrangements will ensure that each strategy does not operate in isolation, and that interdependency is effectively identified and managed appropriately.

Fraud Control Prevention

Fraud prevention strategies are the first line of defence and provide the most cost effective method of controlling fraud within the organisation. To be effective, fraud prevention within an organisation requires a number of contributory elements, including an ethical organisational culture, a strong awareness of fraud among employees, suppliers and clients, and an effective internal control framework.

Key elements of effective fraud prevention include:

- A robust Fraud Policy and Code of Conduct;
- Sound fraud risk management processes;
- A comprehensive Fraud Control Plan;
- Prudent employees;
- Regular Fraud Awareness training;
- Fraud-related controls for activities with a high fraud risk exposure;
- System controls to ensure accurate and up-to-date data;
- Communication about investigation outcomes to demonstrate that allegations and incidences of fraud are serious and appropriately dealt with.

Preventative Measures

Code of Conduct - Employees

A robust Employee Code of Conduct is integral in establishing an ethical culture and Council's Code of Conduct reinforces the need for honest ethical behaviour. The induction process for new staff includes an understanding of the Code of Conduct and the behaviour expected of all Council employees. The Code of Conduct training is mandatory and required to be undertaken by all employees every two years.

Code of Conduct - Councillors

Councillors conduct and behaviour must conform with the local government principles and responsibilities of Councillors as detailed within the *Local Government Act 2009* and Code of Conduct for Councillors in Queensland.

The Code of Conduct sets out the principles and standards of behaviour expected of Councillors and Mayors when carrying out their roles, responsibilities and obligations as elected representatives for their communities.

Before assuming public office, Councillors must understand and commit to complying with the local government principles and obligations of Councillors in accordance with section 169 of the LGA, as well as the standards of behaviour set out in the Code of Conduct for Councillors in Queensland. All Councillors are required to make a declaration of office under the applicable legislation. As part of that declaration, Councillors must declare that they will abide by the Code of Conduct.

Conflicts of Interest

The management of conflicts of interest is an integral part of establishing an ethical culture. Of primary concern within a government organisation is the conflict between private and public interests, and the effective management of this issue. Council's Code of Conduct outlines the process to manage conflicts of interests.

Recruitment and Selection of employees

The screening of employees is an integral part of an organisation's Fraud Prevention Strategy.

- Practical steps are taken in the screening of new staff members (in high risk areas) including:
- Verification of identity, identification is cited by the selection panel at the interview or via the criminal history checking process where there is a requirement for a driver's licence to be presented;
- National police criminal history checks are undertaken on most council roles;
- Reference checks, two recent reference checks are mandatory for appointments made by selection panels. It is always preferred to accept at least one of the references from a recent supervisor/manager;
- Consideration through interview and the selection panel can enquire as to any employment history gaps and reasons for those gaps.

Risk Profile Management

Certain processes or activities have a higher fraud exposure than others. These high-risk areas are analysed to determine whether they need to be the subject of specific fraud controls. It is important that the controls established to manage these high-risk areas are actively monitored and understood by relevant personnel. Examples of processes with a higher inherent fraud risk include: accounts payable; cash handling; pre-payments; travel and subsistence payments; works contracts; and grant programs.

Examples of specific preventative fraud controls that can be applied to one or more identified fraud risks include:

- Segregation of duties
- Hard coded IT system controls (access restrictions and financial delegations on processing transactions)
- Effective procedural controls and management oversight where appropriate
- Physical access restrictions
- The deterrent effect of undertaking regular and random quality assurance checks by management to determine the existence of a service or goods procured
- Regular supplier reviews and the maintenance of a register of non-compliance/breaches of contractual conditions and reporting requirements

Fraud Awareness Training

All staff members should have a general awareness of fraud and corruption, how they should respond and Council's processes if this type of activity is detected or suspected within the workplace. Fraud Awareness training is an effective method of ensuring that all employees are aware of their

responsibilities for fraud control and of expectations pertaining to ethical behaviour in the workplace. Council officers undertake mandatory Fraud and Corruption training.

Fraud Control – Detection

Local Government is susceptible to fraud and no system of preventative controls can provide absolute assurance. As such, Council has implemented systems aimed at assisting with the detection of fraud as soon as possible after it has occurred, in the event that the Council's preventative systems fail.

The source of fraudulent activity may be: internal (perpetrated by an employee or contractor); external (perpetrated by a customer or an external service provider); or complex (for example, involve collaboration between employees, contractors, and external service providers).

Measures to detect internal, external and complex fraud fall into two main categories, passive measures and active measures, as illustrated below:

Passive Measures	Active Measures
Include controls or activities that do not require the active and ongoing involvement of management, but exist as a means by which fraud is detectable within an organisation.	Include controls that require the assertive involvement of management and by their nature are designed to detect or assist in detecting fraud within an organisation.

In determining an appropriate approach to managing fraud risks, the resources devoted to detecting strategies and controls should be proportionate to the fraud risk profile (as indicated by, for example, the materiality, scope, complexity, and sensitivity of possible fraudulent activities). The controls identified and their associated costs will be considered with respect to the nature and scale of the fraud risk(s) they are designed to address.

Passive Detection Measures

Effective Internal Controls

ELT must be alert to the potential for Fraud and Corruption to occur and remain wary of factors which may leave Council vulnerable to Fraud and Corrupt Conduct, including:

- changes to delegations
- implementation of cost cutting measures
- contracting out and outsourcing
- the impact of new technology, or
- change to risk management practices.

Internal controls are an effective detector of fraud. Examples of detecting internal controls include:

- regular independent reconciliation of accounts;
- independent confirmation of service delivery where suppliers are paid in advance for services;
- physical security for example:
 - security cameras
 - staff who know their jobs (people that are familiar with their jobs are more likely to be able to identify anomalies);
 - job rotation/mandatory leave;
 - comparisons between budgeted and actual figures and the follow-up on discrepancies;
 - audit trails and system access logs and the regular review of these;
 - exception reporting

- quality assurance;
- random audits;
- management review.

The scope and frequency of management review activities will depend primarily on an assessment of risks and the effectiveness of ongoing monitoring.

The Process to Report Fraud Allegations

Allegations made by employees, contractors, and members of the public can often lead to the uncovering of fraud. One way organisations can detect fraud is through encouraging employees, contractors, service providers and, where relevant, members of the public to report their suspicions of fraud through the Public Interest Disclosure protocols.

Allegations made by Employees

Fraud is a criminal offence and as such comes under the provisions of criminal law administered through the Police services. Where an employee has some evidence or suspicion of fraud there are a number of avenues for reporting.

Code of Conduct for employees

Where a matter particularly relates to an alleged breach of the Code of Conduct provision is made in that policy for employees to report the matter directly to their supervisor, Manager, the Ethics and Integrity Unit or where appropriate, the Chief Executive Officer.

Suspicion of Fraud

Where an employee suspects that a Council employee or contractor may be undertaking fraudulent activities, the matter should be raised with the employees' immediate supervisor or if that is not appropriate the next senior officer. Council's Ethics and Integrity Unit and People Solutions team is also available to provide advice and to assist where possible.

Allegations made against the Chief Executive Officer are dealt with under the Complaints Against a Public Official Policy.

Allegations made by External Parties

Members of the public (including Council's customers, suppliers and other stakeholders) can play a role in reporting suspected fraud. These parties may be aware of fraud occurring within Council, or being committed against Council by an outside party.

Allegations made from external parties need to be in writing or translated into a written form as soon as reasonably practical. The contact officer for such allegations will be the Service Manager Ethics and Integrity. The exception being allegations made against the Chief Executive Officer which are dealt with under the Complaints Against a Public Official Policy.

Allegation made against the Chief Executive Officer

Allegations made against the Chief Executive Officer are to be directed to the CCC liaison in accordance with Council's Complaints Against a Public Official Policy.

Public Interest Disclosures

Council is committed to the disclosure, in the public interest, of information about wrongdoing in the public sector and to provide protection for those who make disclosures. Public Interest Disclosure Policy sets out all the relevant details associated with disclosure of reportable conduct including disclosure process, investigation and protection.

Active Detection Measures

Active fraud detection measures are controls or activities that require the assertive involvement of management. These measures can be broadly categorised as:

- monitoring and review activities, focused on employees and customers at risk;
- data mining and/or data matching

Monitoring and Review Activities

There are a number of 'red flags' or early warning signs of fraud activity which can be used to help profile possible internal perpetrators. These early warning signs are summarised in the table below:

Early warning signs: people	Early warning signs: areas or activities
Unwillingness to share duties; refusal to take leave	Financial information reported is inconsistent with key performance indicators
Refusal to implement internal controls	Abnormally high and increasing costs in a specific cost centre function
The replacement of existing suppliers upon appointment to a position or unusually close association with a vendor or customer	Dubious record keeping
A lifestyle above apparent financial means; the provision of gifts to other staff members	High overheads
Failure to keep records and provide receipts	Bank reconciliations not up to date
Chronic shortage of cash or seeking salary advances	Inadequate segregation of duties
Past legal problems (including minor previous thefts)	Reconciliations not performed on a regular basis
Addiction problems (substance or gambling)	Small cash discrepancies over a period of time

Formal and Informal work processes

The Role of Internal Audit

Responsibility for managing the risk of fraud, like responsibility for managing all risks, rests with management as part of its ongoing responsibilities. However, internal audit can assist Council to manage fraud control by advising on the risk of fraud and the design of adequacy on internal controls. It can also assist in detecting fraud by considering fraud risks as part of its audit planning and being alert to indicators that fraud may have occurred.

Fraud Control – Response

Fraud response is a key element of the overall Fraud Control Plan. As fraud is a criminal offence the primary responsibility for investigating fraud rests with the Police service.

However, Council needs to be responsive and vigilant in undertaking preliminary investigations to determine whether allegations have sufficient grounds to be taken further.

In some situations, this is straightforward. Cash monies may be missing, and Council would very quickly determine the circumstances and refer the matter to the CCC. Other possible fraudulent behaviour may not be as clear, and some preliminary work will need to be undertaken to form an opinion by senior management that referral to the CCC is warranted.

Fraudulent behaviour can also be closely connected to official misconduct and corruption which are particularly dealt with under the provisions of the Crime and Corruption Act 2001. This legislation has

a clear process for reporting and investigating and in many cases, this will override allegations of fraudulent behaviour.

It is not proposed to have a Fraud Control officer but rather that Council's Service Manager Ethics and Integrity and Council's Executive Group Manager Procurement Risk and General Counsel undertake tasks to support the Fraud Control Plan.

The Service Manager Ethics and Integrity will be appointed as the contact person for allegations of fraud from the community and employees. Councils people solutions team will take on a liaison role in relation to Council employees.

At any stage allegations of fraud can be forwarded directly to the Chief Executive Officer however the Service Manager Ethics and Integrity will play a role in facilitating the initial assessment and coordinating the overall process including complying to reporting obligations.

Councils Executive Group Manager Procurement Risk and General Counsel has particular responsibilities to support initial investigations of alleged fraud and liaising with the CCC.

Fraud Investigation Management

The purpose of a fraud investigation is to gather evidence relating to specific fraud allegations to determine the facts relating to the matter and to assist in deciding what, if any, action should be taken in relation to the matter(s).

In most situations fraud investigations would be undertaken by the Police who, in addition to possessing appropriate skills have access to a number of important services including:

- Document examination;
- Computer forensics; and
- Fingerprint analysis.

External Reporting

The CEO has obligations under the CCA to refer complaints involving suspected corrupt conduct to the CCC. The CEO also has obligations under *the Local Government Regulation 2012 (LGR)* with respect to recording and reporting Material Losses and Reportable Losses.

On behalf of the CEO the Principal Adviser Internal Audit will prepare the correspondence and documents and report material losses to the Minister and Queensland Audit Office (QAO).

Once Council becomes aware of a loss it must notify the Crime and Corruption Commission (CCC). The following table summarises the obligations.

Material losses* that result from suspected corrupt conduct by employees or contractors	Must be recorded and reported to <ul style="list-style-type: none"> • Minister • QAO • CCC
Material losses that result from criminal offences	Must be recorded and reported to <ul style="list-style-type: none"> • The appropriate minister • QAO • QPS
All material losses	Must be recorded and reported to the appropriate minister QAO
All losses that result from a criminal offence or suspected corrupt conduct	Must be recorded in Fraud Register

*A material loss is – cash or equivalent over \$500 or assets valued at over \$1000.

Fraud Control – Monitoring, Evaluation and Reporting

Effective Monitoring and evaluation of Council's fraud control strategies can assist managers and other decision-makers to:

- Assess the continued relevance and priority of fraud strategies in the light of current and emerging risks;
- Test whether fraud strategies are targeting the desired high areas;
- Ascertain whether there are more cost-effective ways of combatting fraud.

Evaluations also have the capacity to establish casual links and, over time, an Evaluation Strategy has the potential to provide insights into:

- The appropriate balance between fraud prevention and detection strategies;
- The relative weighting of incentives that focus on reducing the potential losses from fraud in the first instance, as opposed to discovering fraud after it has occurred.

Completion of Fraud Control Plan Report and Checklist

Corporate Governance will prepare an annual report against the activities outlined in Appendix 1 and complete the checklist outlined in Appendix 2 for the Chief Executive Officer and Audit and Risk Management Committee. The annual reporting against prevention, detection and responding activities and checklist outlines a summary of activities and evidence of compliance regarding the Fraud Control Plan.

Appendix 1 Fraud and Corruption Control Plan

Fraud and Corruption Prevention Activities

This stage outlines the systems, frameworks and processes in place across Council to support the prevention of fraud and corruption.

Element	Component	Action Plan	Owner	Timeframe
Coordination mechanisms	Fraud and corruption control policy and guideline	Council and senior management endorse and promote the policy and plan.	Executive Leadership Team	Every two years
		The policy and plan are reviewed regularly.	Group Manager Corporate Governance	Every three years
		Relevant staff and business areas are involved in the review of the policy and plan.	Service Manager Ethics and Integrity	As required
	Fraud and corruption control coordination	A central point of contact with clear lines of responsibilities for all fraud-related matters.	Principal Adviser Internal Audit	As required
	Independent advice and assurance	Review whether Council has an appropriate fraud and corruption control framework to prevent, detect	Audit & Risk Management Committee	Quarterly

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Element	Component	Action Plan	Owner	Timeframe
		and respond to fraud-related matters.		
		Review reports that outline any identified allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in Council.	Audit & Risk Management Committee	Annually and as requested
Risk management	Risk profile and management	Fraud and corruption risk management is included in Council's Enterprise Risk Management Framework.	Service Manager Risk and Liability Services	On-going
		Council-wide fraud and corruption training incorporated in risk workshops.	Service Manager Risk and Liability Services	Every two years
		Fraud and corruption risks maintained on risk registers.	Service Manager Risk and Liability Services	On-going
		Fraud risks are reviewed.	Principal Adviser Internal Audit	Annually during Audit Plan development and on-going monitoring
		Council's fraud and corruption risk exposure is discussed at the Operational Risk Management Committee (ORMC).	Executive Group Manager Procurement Risk and General Counsel (Chair of ORMC)	Bi-annually
Internal controls	Corporate governance and reporting framework	Approved governance policy is in place.	Group Manager Corporate Governance	On-going
		Clear accountability and reporting framework is maintained and reviewed regularly.	Chief Executive Officer	On-going
	Work processes	Where fraud and corruption risks are inherent, work processes are clearly documented and available to employees. Examples: Cash handling, city rates management, grants management, development applications and recruitment, procurement and payroll.	Managers	On-going
	Recruitment and selection of employees	Screening of potential new employees is conducted, including police clearances taken for employees to be hired for high risk activities.	Executive Group Manager People and Culture and Organisational Performance	On-going
		Appropriately qualified employees are hired through a thorough selection process.	Executive Group Manager People and Culture and Organisational Performance	On-going
	Conflict of interest management and register of interests	Conflicts of interest policy and register are maintained and processes have been communicated to employees.	Executive Group Manager People and Culture and Organisational Performance	On-going

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Element	Component	Action Plan	Owner	Timeframe
		Register of interests is maintained for Councillors and executive management, and their related persons.	Chief Executive Officer/ Mayor	On-going
	Gift and benefits registration	A register of gifts and benefits is maintained and reviewed.	Chief Executive Officer	On-going
	Accountability and responsibility structures	Organisational chart and delegations register is kept updated and is available to all employees.	Group Manager Corporate Governance	On-going
		Executive and senior management demonstrate adherence to work procedures.	Executive Leadership Team and Senior Leadership Team	On-going
		Supervisors monitor adherence to work procedures and ensure training and advice is provided to employees where required.	Managers	On-going
	Documentation and records management	Recordkeeping processes are documented and communicated to employees.	Chief Information Officer	On-going
	Technology security	Systems are protected using contemporary methodology/technology with respect to internal and external threats, including cyber frauds.	Chief Information Officer	On-going
	Access to Council sites	Employees' access to Council sites are controlled through access cards.	Service Manager Facilities Services	On-going
	Internal audits	Internal Audit conduct regular audits of processes and controls, and provide recommendations for improvements.	Audit & Risk Management Committee	On-going
Code of conduct	Induction program	Information on fraud and corruption prevention and control is provided to all new employees as part of corporate induction.	Executive Group Manager People and Culture and Organisational Performance	Within three months of joining
	Staff training	Ethical culture and awareness of fraud and corruption prevention and control procedures and processes are promoted through the code of conduct training.	Executive Group Manager People and Culture and Organisational Performance	Every two years
	Staff performance and development	Council's culture, values and organisational understanding to be included in the conversations during MyGoal discussions.	Executive Group Manager People and Culture and Organisational Performance	Six monthly
Organisational culture change	Vision, mission and goals	Council's vision, mission and goals echo ethical governance and conduct.	Chief Executive Officer	On-going
	Corporate plan outcomes	Outcomes are assessed against benchmarks and targets.	Chief Executive Officer	On-going
	Staff training	Fraud and corruption prevention e-learning module completed by all employees.	Service Manager Ethics and Integrity	Upon commencement at Council and refreshers every two years
Client and	Access to policies and	The Fraud and Corruption Prevention	Group Manager	On-going

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Element	Component	Action Plan	Owner	Timeframe
community awareness program	procedures	Policy is published on Council's website.	Corporate Governance	
	Training and awareness	Relevant corporate reports and publications make reference to Council's processes for fraud and corruption prevention and control.	Chief Executive Officer	On-going
		External parties dealing with Council are advised of Council's Fraud and Corruption Prevention Policy.	All employees	On-going
	Right to information (RTI) and privacy requests	Requests for information are actioned promptly.	Group Manager Corporate Governance	On-going
		RTI disclosure logs are published on Council's website.	Group Manager Corporate Governance	On-going

Fraud and Corruption Detection Activities

This stage outlines the mechanisms in place across Council to detect or expose fraud and corruption.

Element	Component	Action Plan	Owner	Timeframe
Risk management	Risk profile and management	Council-wide fraud and corruption training incorporated in risk workshops.	Service Manager Risk and Liability Services	Annually
		Maintain fraud and corruption risks on operational risk registers.	Service Manager Risk and Liability Services	On-going
Internal controls	Formal and informal work processes	Specific functional area processes and instructions are complied with, and where exceptions are identified and escalated appropriately.	Managers	On-going
		Protocols for elected representatives to access Council information and employees.	Group Manager Corporate Governance	On-going
		Exception reporting on conflicts of interest.	Executive Group Manager People and Culture and Organisational Performance	Quarterly
		Exception reporting to match employee data with supplier data before payment runs.	Chief Financial Officer	On-going
		General and subsidiary ledger reconciliations.	Chief Financial Officer	On-going
		Review of staff access to rating information.	Service Manager Financial Operations	Quarterly
		Review of corporate purchase card transactions versus policy.	Service Manager Financial Operations	As required
		IT security breaches and monitoring.	Chief Information Officer	On-going
		Audit logs on electronic document and	Chief Information	On-going

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Element	Component	Action Plan	Owner	Timeframe
		records management system.	Officer	
		Access and use of Council information is restricted to business purposes.	All employees	On-going
		Review of payroll file by manager prior to payment.	Service Manager People Solutions	As required
		Probity auditors are used on large and complex tenders.	Executive Group Manager Procurement Risk and General Counsel	As required
		Community grants are approved by a panel of stakeholders.	General Manager Community and Customer Services	Based on the rounds of awards
		Segregation of duties in the review of development applications and approval by Council.	General Manager Community and Customer Services	As required
		Councillor grants are reviewed against criteria prior to approval and award.	Governance Service Manager	As required
		Security cameras are used throughout Council sites to identify any damage and theft of assets.	Service Manager Facilities Services	On-going
		Segregation of duties, sign-offs and reconciliation of cash at the Integrated Customer Contact Centre (ICCC).	Service Manager ICCC	As required
		Physical verification of portable and attractive items.	Managers	Annually
Reporting processes	Complaints	Complaints management framework and policy is kept updated and made available to all employees.	Group Manager Corporate Governance	As required
		All employees adhere to the complaints management policy.	Managers	As required
	Performance management framework	Organisational structure is supported through adherence to official delegations, full and proper use of supervisory reporting relationships.	Managers	On-going
	Internal audit	Internal Audit Plan is risk-based and is developed by taking into consideration reported fraud and corruption events and activities which are inherently exposed to fraud and corruption.	Principal Adviser Internal Audit	Annually
		Council responds promptly to audit findings and recommendations.	Chief Executive Officer	On-going
		Special investigations are conducted at the request of management on fraud susceptible activities.	Service Manager Ethics and Integrity	As required
	Protections for disclosers	Management of public interest disclosures (PIDs)	PID policy and guideline is kept updated and is available to all employees.	Service Manager Ethics and Integrity
All employees adhere to the PID policy and guideline.			Group Managers	On-going
Reasonable actions undertaken to minimise the risk of reprisal against			Group Managers	As required

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Element	Component	Action Plan	Owner	Timeframe
		disclosers and all reprisals are timely and appropriately dealt with.		
Investigation management processes	Investigation processes	Employees have access to mechanisms to report any suspected instances of fraud and/or corruption.	Head of People, Culture and Organisational Performance	As required
		All suspected instances of fraud and/or corruption to be reported to the Head of People, Culture and Organisational Performance.	All employees	As required
		The Chief Executive Officer is advised of alleged misconduct by an employee which could amount to corrupt conduct.	Head of People, Culture and Organisational Performance	As required
		The officer delegated by the Chief Executive Officer to report any alleged conduct which amounts to corrupt conduct to the CCC.	Executive Group Manager Procurement Risk and General Counsel	As required
Organisational culture change	Staff training	Fraud and corruption prevention e-learning module completed by all employees.	Service Manager Ethics and Integrity	On-going
Client and community awareness program	Reporting policy and mechanism	External stakeholders have access to policy and mechanisms to report all alleged instances of fraud and/or corruption to Council.	Group Manager Corporate Governance	On-going

Fraud and Corruption Response Activities

This stage outlines the processes for responding to fraud and corruption within Council and the channels for ensuring improvements or remedies for exposed or potential fraud and corruption are made.

Element	Component	Action Plan	Owner	Timeframe
Risk management	Risk assessment and future mitigation actions	Risks are assessed during the required stages of managing reported fraud and corruption matters.	Service Manager Risk and Liability Services	As required
		Fraud and corruption risks on Operational Risk Registers are updated for future mitigation actions.	Service Manager Risk and Liability Services	As required
		Insurance policies are current and provide adequate cover for loss of assets.	Service Manager Risk and Liability Services	Annually
Internal controls	Corporate governance framework reviewed	Governance framework and reporting processes are reviewed and updated taking into consideration any recent fraud and corruption matter.	Group Manager Corporate Governance	As required
	Policies and procedures	Policies and procedures to be reviewed and updated taking into account recent fraud and corruption matters and in response to recommendations made by Internal	Managers	As required

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Element	Component	Action Plan	Owner	Timeframe
		Audit and investigating entity.		
Reporting processes	Complaints management process	Employees have access to Council's mechanisms for reporting fraud and corruption, and processes for managing complaints.	Executive Group Manager People and Culture and Organisational Performance	On-going
External reporting	Reporting of material losses (Thresholds: \$500 for cash and \$1,000 for other assets)	Risk and Liability Services Unit keeps a record of all losses of property and monies. Internal Audit will prepare the correspondence documents, on behalf of the Chief Executive Officer, to report material losses to the Minister and Queensland Audit Office.	Service Manager Risk and Liability Services/ Principal Adviser Internal Audit	Quarterly
	Reporting to the Queensland Police Service (QPS)	Material losses that result from criminal offence is reported to the QPS as appropriate.	Chief Executive Officer	As required
	Reporting to CCC regarding suspected corrupt conduct	All instances of suspected corrupt conduct are reported to the CCC.	Executive Group Manager Procurement Risk and General Counsel	As required
	Reporting to the Queensland Ombudsman regarding PIDs	All PIDs are registered with the Queensland Ombudsman.	Head of People, Culture and Organisational Performance	As required
	Reporting to the Office of the Independent Assessor regarding Councillor complaints	All complaints related to Councillors are reported.	Group Manager Corporate Governance	As required
	Governance publication	Fraud and corruption prevention matters to be reported in the Annual Report.	Group Manager Corporate Governance	Annually and as required
	Protections for disclosers	Protection against reprisal	Reasonable actions undertaken to minimise the risk of reprisal against disclosers and all reprisals are timely and appropriately dealt with.	Group Managers
Investigation management processes	Investigations conducted	Investigations are conducted in accordance with Council's employee code of conduct and policies on complaints management and PID.	Chief Executive Officer	As required
	Investigation reports	Summary of investigation outcomes and results are provided to the Chief Executive Officer (and the relevant Executive Leadership Team member).	Head of People, Culture and Organisational Performance	Six monthly
Organisational culture change	Staff training	Fraud and corruption prevention e-learning module completed by all employees.	Service Manager Ethics and Integrity	On-going

Appendix 2 – Fraud Control Plan – Best Practice Checklist

Key Element 1 – Coordination mechanisms

Checklist: Coordination mechanisms

The following questions are indicative only. Each organisation should develop its own checklist to reflect its specific needs and risk environment. The checklist should be re-examined and updated periodically, as part of the organisation's program of fraud and corruption control appraisal.

- Does the organisation have a fraud and corruption control policy?
- Does the policy clearly state the organisation's zero-tolerance stance on fraud and corruption?
- Is the policy based on a risk-management approach, which identifies and targets those fraud and corruption risks specific to the entity?
- Does the policy address the following fraud and corruption control elements:
 - coordination mechanisms
 - risk management system
 - internal controls
 - reporting system
 - protections and supports for disclosers
 - organisational reporting
 - investigation management processes
 - code of conduct
 - staff education and organisational culture change program
 - client and community awareness?
- Have all relevant stakeholders been involved in developing the overall policy?
- Does the policy:
 - clearly communicate the organisation's values and business practices
 - articulate the commitment of the CEO and senior management to these principles?
- Is there a person or group designated as owning and administering the fraud and corruption control policy?
- Does the organisation have a fraud and corruption control plan?
- Does the plan reflect the organisation's corruption prevention policy?
- Does the plan include:
 - mechanisms to identify and record threats
 - appropriate responses to identified threats
 - details of the strategies and controls to address identified risks
 - allocation of responsibility for implementing the strategies
 - timeframes for implementing the strategies
 - mechanisms for monitoring the implementation of the strategies?
- Do the fraud and corruption control plan, corporate plan and other management plans support each other?
- Does the organisation have other policies and procedures that support the Plan?
- Do all associated policies and procedures (i.e. associated with fraud and corruption control):
 - reflect the specific needs of the organisation
 - complement each other and operate in an integrated and cohesive manner?
- Has the organisation provided adequate resources for the program?

- Does the fraud control officer monitor the performance of staff responsible for implementing the fraud control plan?
- Does the organisation have appropriate management and oversight functions, including:
 - corporate governance
 - an audit committee
 - a risk management committee
 - a fraud manager?
- Have the policy and plan been reviewed within the last two years?
- Are there standing arrangements to review the policy and plan on a periodic basis?
- Is there a structured approach to implementing significant review recommendations?
- Have the recommendations for any changes or improvements to policy and operational procedures been prioritised or implemented?
- Is the policy easily accessible to all stakeholders?
- Are there effective communication or extension programs to raise awareness of the organisation's fraud and corruption control policy and plan?

Key Element 2 – Risk Management System

Checklist: Risk management system

The following questions are indicative only. Each organisation should develop its own checklist to reflect its specific needs and risk environment. The checklist should be re-examined and updated periodically, as part of the organisation's program of fraud and corruption control appraisal.

Legislative requirements

- Does the organisation have a risk management system? (FAA section 61 (b), FPMS sections 7 and 15(1)(h))
If yes,
 - Is it reviewed regularly (at least every two years) to ensure it is still appropriate? (FPMS section 15 (3))
- If there is a risk management committee, does it have regard to the "Audit committee guidelines – Improving Accountability and Performance", (Queensland Treasury) (FPMS, section 28)?

Recommended Best Practice

- Does the organisation's risk management system cover fraud and corruption risks?
- Does the organisation have a comprehensive program of fraud and corruption risk assessment?
- Does the program of risk assessment use a methodology consistent with the *Australian Standards AS8001: 2008: Fraud and Corruption Control Guidelines 3.6* and *AS/NZS ISO 31000:2009: Risk Management*?
- Is the organisation's risk review and assessment process thoroughly documented?
- If a fraud and corruption risk assessment has been conducted, did it:
 - actively involve all relevant stakeholders
 - capture all of the organisation's at-risk functions
 - establish the vulnerability of business processes and related tasks or activities
 - identify likely internal and external threats
 - take account of both current and possible future threats
 - review data from the organisation's fraud register
 - rate the probable risks appropriately
 - consider appropriate controls to both prevent and detect fraud
 - prioritise the implementation of control treatments accordingly
 - result in a prioritised treatment plan that documents the chosen options and how they will be implemented
 - ensure adequate communication
 - properly store the results to enable accessing this information in the future?
- Does the organisation have a separate fraud risk register?
If yes:
 - Is the Fraud Risk Register reviewed regularly by Internal Audit?
- Is there a person nominated (or designated committee or taskforce) to be responsible for overseeing the assessment of fraud and corruption risks and any relevant control program?
- Is there a representative and knowledgeable advisory committee to oversee risk management and provide advice and support to any nominated officer, group, committee or taskforce?
- Has a comprehensive risk assessment been carried out or has the previous assessment been comprehensively reviewed less than two years ago?

- If there are indications that reviews of risk exposure in particular areas should be carried out more frequently than every two years, has this been done?
- If there have been any major changes to the organisation's structure, functions or operating environment in the last two years has a risk review been completed since?
- Are there mechanisms to generate a risk review in the event of legislation changes?
- Is there a system for recording and monitoring fraud and corruption incidents?
- Is there a process to trigger a review in response to a fraud event?
- Are the fraud or corruption incident records maintained in a fraud or corruption register?
- Are fraud or corruption incidents analysed (for the purpose of identifying trends and emerging threats) at the time that other organisation risk assessments are carried out?

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Key Element 3 – Internal Controls

Checklist: Internal controls

The following questions are indicative only. Each organisation should develop its own checklist to reflect its specific needs and risk environment. The checklist should be re-examined and updated periodically, as part of the organisation's program of fraud and corruption control appraisal.

Legislative requirements

- Have appropriate internal control measures been implemented to deal with all the identified fraud and corruption risks? (FA Act section 61, FPMS section 8)
- Is there appropriate separation of duties between officers of the organisation? (FPMS section 8(6))
- Is the internal control structure included in the organisation's FMPM? (FPMS section 8(5))
- Does the organisation review its internal controls system regularly enough to cater for changing circumstances? (FPMS section 15(3))
- Are the delegations, authorities and supervisory roles of management clearly defined? (FPMS (8)(2)(b)(i))
- Is there an internal audit function? (FPMS section 29.)
- Does the internal control structure include appropriately qualified officers? (FPMS section 8(2)(b)(ii))

Recommended Best Practice

- Are there systems or procedures to regularly monitor and evaluate the controls?
- If there have been any major changes to the organisation structure, functions or operating environment, have internal controls been reviewed for ongoing adequacy?
- Are the responsibilities for fraud and corruption control clearly documented in organisation policies, procedures and job descriptions?
- Does the organisation actively involve senior executives and line managers in reviewing operational practices and controls to prevent and detect fraud and corruption?
- Have all stakeholders been made aware of the risks and organisation control mechanisms?
- Do the organisation's contracts with suppliers require the supplier and their staff to comply with the organisation's key integrity policies?
- Are line managers and employees made aware of the content of policies and procedures and controls relevant to their roles and to fraud control?
- Are the managers aware of their obligation to ensure their staff know and implement the internal controls relevant to their role?
- Do the employees in these positions consciously accept their control responsibilities?
- Does each work unit or business process comply with all policy obligations for delegations and organisational review?
- Does the organisation conduct checks on prospective employees' references, stated qualifications, criminal histories and discipline records?
- Are organisation delegations routinely reviewed and employees advised of relevant changes?
- Does the organisation regularly check for duplication, overlap, conflict or lack of coverage that is likely to reduce the effectiveness of the organisation's fraud and corruption controls?
- Does the organisation implement routine data analytics in areas identified as inherently susceptible to fraud?

- Are managers and employees consulted about specific investigations which may involve any control lapses in their areas of operation?
- Do any supervisors affected by changes in controls review the interim or final investigation reports as part of their obligations to understand and apply the anticipated changes?

Key Element 4 – Reporting processes

Checklist: Reporting processes

The following questions are indicative only. Each organisation should develop its own checklist to reflect its specific needs and risk environment. The checklist should be re-examined and updated periodically, as part of the organisation's program of fraud and corruption control appraisal.

Legislative requirements for departments or public service offices as defined by the *Public Service Act 2008*

- Has the department implemented and is it maintaining an employee complaints management system as required by the *PSC Directive 02/17: Managing Employee Complaints*?

Recommended Best Practice

- Does the organisation have a reporting system with a variety of robust mechanisms for reporting suspected fraud and corruption, including anonymously and to an external contact?
- Does the Code of conduct require employees to report suspected wrongdoing, including fraud and corruption?
- Does the organisation have an appropriate policy that informs and encourages stakeholders to report wrongdoing?
- Does the organisation have well-developed procedures for dealing with each step in managing a report?
- Does the organisation have a process whereby outsiders can report corrupt conduct to the organisation?
- Does the organisation encourage the reporting of fraud and corruption issues such as:
 - potential or actual risks
 - areas for improvements
 - suspect behaviour?
- Has the organisation made employees aware of its fraud and corruption policy and procedures?
- Has the organisation nominated particular officers or positions to receive reports?
- Are receiving officers or positions appropriate for the reporting role, given the organisation's structure and the nature of its business, client base and employees?
- Are receiving officers trained to recognise and handle reports?
- Do employees know what to expect once they have submitted a report?
- Does the organisation carefully review and monitor all complaints and reports?
- Are individuals (if known) informed about the outcome of their report, including, if applicable, why an investigation might not have proceeded?
- Does the reporting system ensure that appropriately serious allegations are reported to the CEO?
- Do organisation records indicate that reports of fraud and corruption have been considered at an appropriately senior level?
- Is strict confidentiality maintained in the receipt and processing of reports?
- Does the organisation have an effective information management system that captures all reports and enables evaluation of the anti-fraud and corruption program's effectiveness?
- Does the organisation have a hotline service to provide information to people with concerns, and is the hotline advertised?

Key Element 5 – Protections and support for disclosers

Checklist: Protections and support for disclosers

The following questions are indicative only. Each organisation should develop its own checklist to reflect its specific needs and particular risk environment. The checklist should be re-examined and updated periodically, as part of the organisation's program of fraud and corruption control appraisal.

Legislative requirements

- Does the organisation have written PID procedures? (PID Act section 28)
- Do the PID procedures cover:
 - support and protection available for the discloser of a PID?
 - how to assess a disclosure?
 - the investigative process?
 - employee and management responsibilities? (PID Act section 28 (1))
- Are the PID procedures published on the organisation's public website? (PID Act section 28 (2))
- Are there systems in place to support, protect and communicate with disclosers? (PID Act section 28)
- Is there an appropriate internal review mechanism for any discloser who may feel they have been disadvantaged or subjected to reprisals? (PID Act section 28 (1) (e))
- Are disclosers (if known) informed about the outcome of the disclosure and inquiry process, including why an investigation might not have proceeded (if applicable)? (PID Act section 30 (3))
- Does the organisation have a process for recording PIDs and their outcomes? (PID Act section 129)
- Does the organisation have a nominated officer or work unit responsible for PID management? (PID Standard No. 1)
- Does the organisation provide education and training about PIDs? (PID Standard No. 1)
- Does the organisation report on the outcomes of PID Activities in accordance with the requirements set by the Queensland Ombudsman? (PID Act section 33)
- See also the Queensland Ombudsman's Self-assessment checklist
www.ombudsman.qld.gov.au/improve-public-administration/public-interest-disclosures/how-to-manage-a-public-interest-disclosure/does-your-pid-policy-measure-up/does-your-pid-policy-measure-up

Recommended Best Practice

- Does the organisation have a stand-alone PID policy?
- If there is a stand-alone PID policy, is it consistent with the organisation's code of conduct and any overall fraud and corruption control policy?
- Does the policy state the timeframe for responding to a PID?
- Are the principles of the PID Act incorporated in the organisation's policies and procedures relating to external stakeholders, such as clients, suppliers and contractors?
- Has the organisation documented the mechanisms to protect and support disclosers?
- Is there a formal PID reporting system, such as nominated officers to receive and manage PIDs? If so:
 - are these officers adequately trained in all aspects of the PID program?
 - is this reporting system well-known and easily accessible to all employees?

- are managers given additional training in handling PIDs?
- are there sufficient designated and trained officers available to manage PIDs?
- Do the organisation's officers:
 - clearly understand their obligations to report suspected fraud, corruption and maladministration?
 - have a clear understanding of what constitutes a PID?
 - know how to make a PID?
 - know what to do if they receive a PID in their role as a supervisor or manager?
- Is the effectiveness of the support and protection mechanisms regularly monitored and reviewed?
- Have guidelines about acceptable behaviour for disclosers been formally established, documented and distributed?
- Have the support and protection mechanisms been effective (e.g. is there any evidence that disclosers have suffered reprisals in any manner)?
- Are the PID records periodically reviewed?
- Are there procedures to ensure follow-up of identified risks or deficiencies?
- Is the organisation's PID report linked to the organisation's risk management program?
- Are there programs to actively encourage an ethical work climate and an atmosphere of transparency and responsible reporting that fosters PIDs?