Fraud and Corruption Control Policy
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1. **Overarching Principle**

   The Gold Coast Waterways Authority (the Authority) has a zero tolerance towards fraud and corruption and is committed to the prevention of fraud and corruption in its operations. To this end, the Authority has adopted this Fraud and Corruption Control Policy which will be promulgated by the Chief Executive Officer who will be responsible for the overall implementation of the Policy and its currency (*also see section 7*).

2. **Context**

   The incidence of fraud and corruption within the private and public sectors is increasing globally with many organisations suffering significant losses.

   Fraud and corruption can be committed by staff (including temporary staff), suppliers, contractors, consultants, customers, grant recipients, and, in the case of the private sector, competitors.

   While the immediate $ value of losses can often be calculated, there are often substantial indirect costs such as:

   - loss of productivity including potential delays while the incident is investigated;
   - reputational damage to both the organisation and the individual;
   - loss of market share and profits (in the private sector) and funding and opportunities (in the public sector);
   - costs associated with investigation and rectification of the incident; and
   - increased costs of fraud and corruption prevention including enhanced training and additional systems and controls.

   Because many of the Authority’s administrative functions are undertaken under a Service Level Agreement with the Corporate Administration Agency (CAA), this Policy should be seen as interdependent with and complementary to the Fraud Policy and Framework adopted by that organisation.

3. **Purpose**

   The purpose of this Fraud and Corruption Control Policy is to:

   - establish policies, practices, processes and responsibilities which are designed to protect the Authority’s revenue, funds, assets and reputation from potential fraudulent and corrupt activities;
   - enhance the awareness of staff and parties external to the Authority of the Authority’s commitment to the prevention of fraud and/or corruption in its operations;
   - provide information to staff and external parties so that fraud and corruption activities can be recognised and to indicate what action (including investigation and reporting) should be taken where it does occur; and
   - outline the responsibilities of all parties under this Policy.
The Fraud and Corruption Control Policy lies within a broader Fraud and Corruption Control Framework and is supported by a range of other policies as shown in the diagram below.

4. Legislative and Policy References

The following are some of the legislation and policy documents which are relevant to the identification, prevention and reporting of fraudulent and corrupt activities:

- Financial Accountability Act 2009
- Public Interest Disclosures Act 2010
- Crime and Corruption Act 2001
- Queensland Procurement Policy 2013
- Information Privacy Act 2009
5. Definitions

**Fraud** is defined as an act or range of acts which are illegal and/or irregular and which are undertaken with clear intent:

- to achieve a gain external to, and at the expense of, the Authority; or
- to create a loss for the Authority or expose it to unnecessary risk; or
- to misrepresent information for which the authority is responsible.

Fraud may be undertaken by an employee of the Authority or by parties external to the Authority.

**Corruption** is defined as the offering, giving, soliciting or acceptance of an inducement or reward for an action taken by an employee of the Authority or undertaken to encourage an action or outcome. The inducement or reward for an action or encouragement of an action or outcome may be offered to the employee or to the family or associates of the employee.

6. Understanding Fraud

6.1 Common Fraudulent and/or Corrupt Activities

Some of the more common fraudulent or corrupt activities include:

- Misuse or misappropriation of assets;
- Theft of information including Intellectual Property;
- Unauthorised access to, use of and, potentially, damaging IT or physical records and/or providing access to unauthorised third parties;
- Misuse of plant and equipment;
- Ghost employees;
- Collusion between employees and/or suppliers/contractors;
- Corrupt employment practices;
- Falsifying timesheets, for example, incorrectly recording work hours or leaving the workplace when supposed to be working;
- Forgery;
- Falsifying or manipulating leave applications or records;
- Falsifying employment application or ongoing employment record documents;
- Falsification of expense claims;
- Identity theft;
- Falsification of receipt of goods and services;
- Lodging false invoices or documents;
- Favouring a supplier(s), contractor, consultant, customer or grant applicant;
- Not declaring a conflict of interest;
- Corruption and bribery including soliciting and accepting goods and services or hospitality;
- Release of confidential information;
- Financial Statement and/or financial reporting falsification; and
- Unauthorised granting of concessions or waivers to customers, contractors, consultants, grant recipients, etc.

6.2 Code of Conduct

The Authority has adopted the Queensland Government Public Service Commission Code of Conduct which spells out what is required of the Authority’s employees in terms of behaviour and ethical conduct. The Code includes a conflict of interest policy and also provides examples of fraudulent and/or corrupt behaviour to guide staff.

Training in the Code of Conduct will be provided to all new employees as part of induction and will be repeated as necessary for existing employees.

7. Responsibility for Fraud and Corruption Control Framework

The Chief Executive Officer has overall responsibility for the Fraud and Corruption Control Framework and for the issuing of the Fraud and Corruption Control Policy. The CEO will foster an environment aimed at prevention of fraud and corruption and provides for safe and fair detection, reporting, investigation and action. All managers with the Authority are expected to support the CEO in this role including oversight of the implementation of and compliance with the Authority’s policies and procedures and leading by example.

The Manager Business Services is the designated officer responsible for the implementation of the Policy, the oversight of fraud risk assessment, the provision of training and guidance, liaison with the Corporate Administration Agency in relation to their fraud control activities and the management of recovery processes. The Manager Business Services is the officer to whom all suspected instances of fraud and/or corruption should be reported (or the CEO should the party reporting the matter prefer). The Manager Business Services will also be responsible for overseeing investigation of reported or alleged instances of fraud and/or corruption.

All employees and contracted staff also have an important role to play in the prevention and detection of fraud and corruption. They must act in accordance with the spirit and intent of the Authority’s designated policies, procedures and practices. They will also be encouraged to raise any concerns they may have about aspects of the Authority’s work or the behaviour of other staff, contractors and suppliers which may give rise to suspicions of fraudulent or corrupt behaviour.
8. Fraud Control Plan

The Fraud Control Plan will focus on fraud risk assessment, data analysis and review, training and guidance and processes for reporting and management of fraud and/or corruption instances.

The Fraud Control Plan will be reviewed in light of lessons learned from instances of fraud and corruption occurring within the Authority or elsewhere and from material produced by the QAO or other professional bodies. A review will be conducted once every two years, unless an assessment of the Authority's fraud risk profile indicates a more regular review is necessary.

The Plan is supported by the Code of Conduct and the Financial Management Practice Manual which sets out the policies, processes and practices which are to be followed by all staff.

9. Training and Guidance

Training will be provided to all staff and guidance provided to all external parties so that fraudulent and/or corrupt activities can be recognised, reported and investigated. The Authority's aim is to create a culture and an environment whereby fraudulent or corrupt behaviour is not tolerated or accepted. (Also see section 6.2 Code of Conduct and section 11 Protected Disclosures).

Appropriate screening of applicants for employment or contract employment will be undertaken having regard to previous employment records, any relevant criminal convictions and/or relevant civil misdemeanours.

The Authority will also undertake ASIC and other appropriate investigations to ensure the integrity of contractors and/or suppliers prior to transacting business with them.

10. Identification/Detection, Investigation and Recording

As a normal part of the Authority's activities, the Authority has a range of internal controls designed to prevent fraudulent or corrupt activities. The system of controls and the Authority's activities are subject to both internal and external audit examination on an ongoing basis.

Instances of fraudulent or corrupt behaviour will be thoroughly investigated and appropriate action instigated against the employee or external party involved. This may include the involvement of the Police and possibly the Crime and Corruption Commission.

The Authority will use the appropriate Standards to conduct the investigation. Outcomes of the investigation may include recovery of the Authority's losses (where it is cost effective to do so), disciplinary action (including termination in certain cases) in the case of employees and appropriate action (including penalties or cessation of trading or business involvement) in the case of external parties.

The Authority will, as part of its risk management framework, undertake regular fraud risk assessments which focus on key areas most susceptible to fraud and for which the Authority has control, for example, procurement, contracts and accounts payable while working with the Corporate Administration Agency to ensure the integrity of payroll activity. The Authority will
also undertake regular analysis of data and relevant documentation to identify any unusual behaviour or activity.

All instances of fraudulent or corrupt behaviour will be recorded in a register maintained by the Manager Business Services and will be reviewed/analysed to identify any inherent weaknesses in control systems including the need for any changes in existing processes and for any further training or action to prevent any recurrence.

11. Protected Disclosures

The Public Interest Disclosures Act 2010 provides protection for staff or others who disclose potential or actual fraudulent or corrupt activities. GCWA has adopted a public interest disclosure policy which sets out the processes to be followed and the protections afforded to staff or other parties making a disclosure. The Manager Business Services has been appointed as the officer to whom public interest disclosures can be made (although staff can also make such disclosures to the Chief Executive Officer if they feel that is more appropriate).

Training in public interest disclosures will also be provided to staff on a regular basis.

Following are links to Queensland Government arrangements regarding public interest disclosure and whistle-blower information:


12. Reporting

As part of the Fraud Control system, reports on any instances of fraudulent or corrupt activity will be reported to the Authority’s Audit Committee at its regular meetings and also annually to the Board (or at the first opportunity should the matter be considered significant). If the loss is considered material, notification arrangements as outlined in Section 21 (3) of the Financial and Performance Management Standard 2009 will be carried out.

In addition the outcomes of investigations into all instances of fraudulent or corrupt behaviour will be communicated to staff and/or external parties.