

FRAUD AND CORRUPTION PREVENTION POLICY

Policy

The Queensland Building and Construction Commission (QBCC) supports our employees to ensure they meet the highest ethical standards of professional conduct, seeking to promote public confidence through honest and ethical business practices.

The Fraud and Corruption Prevention Policy (this Policy) gives effect to the QBCC Commissioner's and Senior Leadership Team's commitment to prevent and control fraud and corruption.

QBCC has zero tolerance for fraud and corruption, as set out in in QBCC's Risk Appetite Statement, and is committed to taking all reasonable steps to actively discourage fraud and corrupt conduct. QBCC recognises that this is an integral part of good governance.

This Policy is to be read in conjunction with the Fraud and Corruption Control Plan and the QBCC Risk Management Framework.

In developing this Policy, QBCC has considered the relevant provisions of the *Human Rights Act 2019*.

Fraud and Corruption Control Framework

This Policy aligns to the Australia Standard AS8001-2008 Fraud and Corruption Control, and forms an element of QBCC's Fraud and Corruption Control Framework as recommended by the Crime and Corruption Commission's *Fraud and Corruption Control - Best Practice Guide*. The other relevant elements of this framework are referred to below.

Scope

This Policy applies to the whole of QBCC including all QBCC employees whether their employment status is permanent, temporary, contract, casual, volunteer and/or on secondment from another department.

Purpose

This Policy and the associated Fraud and Corruption Control Plan provides a framework for QBCC in the prevention, detection, reporting and management of fraud and corruption.

Obligation to report fraud and corruption

QBCC has zero tolerance for fraud and corruption. This means that every employee and every contractor has an obligation to report any incidents of suspected fraud or corruption as soon as possible.

This is supported by the QPS *Code of Conduct*, which relevantly provides:

1.1 Commit to the highest ethical standards

As public service employees we are required to ensure that our conduct meets the highest ethical standards when we are fulfilling our responsibilities.

We will:

- a) meet our obligations to report suspected wrongdoing, including conduct not consistent with this Code.

Failure to report fraud or corruption therefore may be a breach of the Code of Conduct and QBCC's disciplinary standards.

What is fraud and corruption?

Fraud and corruption can take many forms. Fraud is normally characterised by deliberate deception to facilitate or conceal the misappropriation of tangible or intangible assets. Corruption involves a breach of trust in the performance of official duties.¹

[Australian Standard AS 8001 - 2008 Fraud and corruption control](#) (AS8001-2008) defines 'fraud' as:

Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys 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 business purpose or the improper use of information or position for personal financial benefit.

Fraud may also meet the necessary thresholds to be assessed as corrupt conduct. 'Corruption' is defined by AS8001-2008 as:

Dishonest activity in which a departmental employee of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

As explained by the Crime and Corruption Commission,² under the *Crime and Corruption Act 2001*, there are two types of corrupt conduct:

Type A - corrupt conduct involves conduct that affects, or could affect, a public officer (an employee of a public sector agency) so that the performance of their functions or the exercise of their powers:

- is not honest or impartial, or
- knowingly or recklessly breaches public trust, or
- involves the misuse of agency-related information or material.

Common examples of Type A corrupt conduct include fraud and theft, extortion, unauthorised release of information, obtaining or offering a secret commission and nepotism.

Type B - corrupt conduct involves specific types of conduct that impairs, or could impair, public confidence in public administration. This may include:

- collusive tendering, or
- fraud relating to an application for a licence, permit or other authority relating to public health or safety; the environment; or the State's natural, cultural, mining or energy resources, or
- dishonestly obtaining public funds or State assets, or
- evading a State tax, levy or duty or fraudulently causing a loss of State revenue, or
- fraudulently obtaining or retaining an appointment.

Both Type A and Type B corrupt conduct must be either a criminal offence or serious enough to warrant dismissal.

¹ Crime and Corruption Commission, *Fraud and Corruption Control - Best Practice Guide* (May 2018) p 1.

² <https://www.ccc.qld.gov.au/corruption/what-corrupt-conduct>.

Reporting fraud or corruption

All QBCC employees and contractors are obliged to report any incidents of suspected fraud or corruption as soon as possible. The [iDeclare](#) function on the intranet can be used for this purpose.

QBCC recognises that employees and contractors who are prepared to speak up about public sector misconduct, fraud and corruption are the most important sources of information to identify and address problems in public sector administration. QBCC is therefore committing to protecting and supporting persons who report wrongdoing including suspected fraud and corruption. In dealing with such reports, QBCC will respect the right to privacy and reputation of the reporter.

Further details about how to report wrongdoing, and how QBCC deals with reports of wrongdoing, including the supports and protections available, are set out in the QBCC *Public Interest Disclosure Policy and Procedure*, and *Public Interest Disclosure Management Plan*.

Risk Assessment

The application of risk management principles and techniques in the assessment of the risk of fraud and corruption is carried out in accordance with the QBCC Enterprise Risk Management Framework.

The QBC Board has identified fraud and corruption as a key corporate risk for QBCC.

QBCC also maintains a comprehensive Fraud and Corruption Risk Register within the CAMMS Enterprise Performance Management software Risk module.

Responsibilities

The QBCC Risk Appetite is reviewed annually and is set by the QBC Board in consultation with the Senior Leadership Team. The QBC Board has a low appetite for both fraudulent and corrupt incidents, behaviour, and conduct.

The QBC Board Risk Committee provides independent comment, advice and counsel to the Board on the suitability of QBCC's accountability and control framework including the QBCC Enterprise Risk management framework.

The Commissioner and Senior Leadership Team are responsible for the implementation of this Policy through the Fraud and Corruption Control Plan and effective internal control structures.

The Senior Leadership Team's Risk and Governance Committee monitors and reviews governance arrangements and compliance with legislative requirements and obligations through enterprise performance management.

The Chief Financial Officer role ensures robust financial controls are embedded and is focused on delivering a strong net asset position and the long-term financial sustainability of the QBCC in accordance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*.

The Chief Information Officer is responsible for Information security and security and access controls to QBCC's information technology systems.

QBCC's Internal Auditor is an independent advisory function which reports directly to the Finance and Audit Committee and, on operational matters, to the Commissioner.

The Executive Director, Integrity and Review provides independent assessment of misconduct and corruption matters referred including suspected fraud by employees.

The Integrity and Complaints Branch (ICB) receives, assesses and manages complaints and/or reports of fraudulent and corrupt conduct along with reports of other systemic failures that would permit such conduct to flourish. ICB is also responsible for ensuring protection and support is provided to employees who report wrongdoing. The Branch also ensures that fraud and corruption awareness refresher training occurs biennially.

The Strategy, Planning and Performance Team coordinates the quarterly review of the Fraud and Corruption risk register and reports to the Senior Leadership Team's Risk and Governance Committee and the QBC Board Risk Committee and where recommended by the Committee, the QBC Board.

The Learning and Development Team is responsible for developing and maintaining QBCC's mandatory Fraud and Corruption eLearning module.

All QBCC employees and contractors must comply with this Policy and the Fraud and Corruption Control Plan. All employees must complete the mandatory Fraud and Corruption eLearning module on commencement, and every two years after that.

Authority	Commissioner
Date	16 Dec 2020
Version	6.0
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Related legislation, Standards and Documents	<p>Australian Standard AS 8001 – 2008 Fraud and corruption control</p> <p>Australian Standard ISO 31000:2018 Risk Management- Guidelines</p> <p>QPS Code of Conduct</p> <p>Conflicts of Interest Policy and Procedure</p> <p>QBCC Public Interest Disclosure Management Plan</p> <p>QBCC Public Interest Disclosure Policy and Procedure</p> <p>QBCC Enterprise Risk Management Framework</p> <p><i>Crime and Corruption Act 2001</i></p> <p><i>Criminal Code Act 1899</i></p> <p><i>Financial Accountability Act 2009</i></p> <p>Financial and Performance Management Standard 2019</p> <p>Fraud and Corruption Control Plan</p> <p>Insider Trading Policy</p> <p><i>Public Interest Disclosure Act 2010</i></p> <p><i>Public Sector Ethics Act 1994</i></p> <p><i>Public Service Act 2008</i></p>