



Fraud and corruption

Introduction

Fraud and corruption are among the most expensive categories of crime in Australia, and have the potential to cost the economy billions of dollars annually. They can take many forms, from bribes to officials, to fraud, embezzlement and biased decision-making. They have serious implications for an agency's financial outcomes, human resources and community standing.

Fraud usually involves deliberate deception to help or conceal the misappropriation of assets, whereas corruption involves a breach of trust in the performance of official duties. Inevitably, both involve an abuse of position. Public officials acting fraudulently or corruptly may be guilty of official misconduct under the *Crime and Misconduct Act 2001*.

If the conduct involves extortion, stealing, misappropriation of property, false pretence, receipt or solicitation of secret commissions, forgery, revenue evasion, election fraud, currency violation, or drug dealing, the perpetrators may be guilty of criminal offences under state and federal legislation.

Fraud and corruption control guidelines

The following best-practice guidelines include prevention measures and activities for reporting, detecting and investigating fraud and corruption.

- ***Fraud and corruption control: guidelines for best practice*** (CMC, 2005), (PDF, 1.2 MB)

Further information and resources

The publishers of the following documents and websites are responsible for the content provided.

- **Report 5 for 2012 Results of audits: Internal control systems** (2012)
Tabled in Parliament on 28 June 2012. This report to Parliament summarises results from the interim phase of the 2011-12 financial audits of departments, statutory bodies and government owned corporations.
- **Report No. 4 for 2011 Information systems governance and security** (2011)
Tabled in Parliament on 21 June 2011. This report builds on the results of audits in Auditor-General Report to Parliament No. 7 for 2010; Information systems governance and control, including the Queensland Health Implementation of Continuity Project.
- **AS/NZS ISO 31000:2009 Risk Management Standard Set** (2009) Standards Australia.
Sets out the seven-step process for managing risk, emphasising the importance of embedding a risk management culture in an organisation and managing potential gains and losses.
- **Australian Institute of Criminology**
Links to information on fraud and corruption control from the website of Australia's national research and knowledge centre on crime and justice.
- **Australian standards – corporate governance set** (2004) Australian Standards.
Five corporate governance standards and two handbooks on implementing a corporate governance system developed around the *OECD Principles of Corporate Governance*, the *IFSA Blue Book* and the *ASX Listing Rules*.
- **Committee of Sponsoring Organisations of the Treadway Commission (COSO)**
A voluntary private sector organisation dedicated to improving the quality of financial reporting through business ethics, effective internal controls and corporate governance.
- **Commonwealth fraud control guidelines** - (2011) Commonwealth Attorney-General.
Guidelines on developing an integrated fraud control strategy taking into account developments in corporate governance, modern business practices and fraud control. 28pp.
- **Do-it-yourself corruption resistance guide** (2002) ICAC.
A guide to help agencies assess their level of corruption resistance and progressively develop and implement prevention measures to meet benchmarks set by ICAC. 52pp.

- **Examiners (ACFE)**

Support and educational resources for those working professionally in fraud prevention, examination and investigation.

- **Fighting fraud: checklists** (2002) ICAC

Companion to the ICAC publication *Fighting Fraud: Guidelines for state and local government*. The checklists can be used in isolation, but will be of more benefit if read in conjunction with the guidelines. 4pp.

- **Fighting fraud: guidelines for state and local government** (2002) ICAC.

Guidelines on assessing and managing risk and developing prevention and detection strategies to deal with fraud — designed for managers of government organisations. 64pp

- **Fraud control: current progress and future directions** (2005) Audit Office of New South Wales.

Updated guidance on improving arrangements for fraud control at both whole-of-government and agency level.

- **Strategies for preventing corruption in government regulatory functions** (1999) ICAC.

Designed to raise awareness of the risks of corruption faced by regulatory organisations and their employees — includes some generic corruption prevention strategies. 24pp.

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