

# POLICY

<b>TITLE:</b>	FRAUD AND CORRUPTION CONTROL POLICY & PROTECTIO PLAN		
<b>DIVISON:</b>	OPERATIONS		
<b>ADOPTED BY:</b>	CEO		
<b>DATE OF ADOPTION:</b>	26 April 2023	<b>DATE OF REVIEW:</b>	26 April 2028
<b>POLICY NUMBER:</b>	HR14		
<b>LEGISLATIVE REF:</b>	Regulation 6(1)(d)(i) of the <i>Local Government (General) Regulations 2021</i>		

**THIS POLICY APPLIES TO: All Council employees**

## 1. Purpose

Council is committed to acting in the best interests of the community and to upholding the principles of honesty, integrity, diligence, accountability and transparency.

This plan provides a framework to aid the protection of public money and property, and to facilitate the security and the reputation of Council to minimise the risk of fraud and corruption.

## 2. Principles

Council has a zero tolerance for fraudulent or corrupt conduct, activities or behaviours, including from council members, council employees, contractors, volunteers and other external parties involved in council business.

The Council's frameworks, systems, policies and procedures are in place to assist with the prevention and control of fraud and corruption and any other form of misconduct.

The Council acknowledges that appropriate internal controls and a mechanism for reinforcing a culture of acting lawfully, ethically and in a socially responsible manner is an effective way to prevent the occurrence of fraud and corruption.

Council members and council employees will undertake regular training on fraud and corruption prevention, on their commencement with the Council and every two years after that. At the completion of such training, council members and staff will sign a declaration acknowledging that they are aware of the fraud and corruption control policy and protection plan and how it applies to them with respect to their powers, functions and roles.

All council members and council employees have obligations under the *Independent Commissioner Against Corruption Act 2017*. These obligations include reporting suspected improper conduct, which includes fraud and corruption.

Any fraudulent or corrupt conduct, activity or behaviour will be dealt with expeditiously and with the full force of the law as appropriate.

Lessons learnt following an investigation on alleged fraudulent or corrupt conduct, activity or behaviour will be implemented in the Council's internal controls, as appropriate in the circumstances, and will be used to strengthen those internal controls for the future.

### **3. Definitions**

For the purposes of this plan:

**Fraud** includes dishonest activity involving deception that causes actual or potential financial loss.

**Corruption** includes dishonest activity in which employees act against the interests of their employer and abuse their position to achieve personal gain or advantage for themselves or others.

### **4. Application of policy**

This plan applies to all council members, employees, contractors, subcontractors, suppliers, consultants, volunteers and any individual or groups undertaking activities or work for, or on behalf of, the Council.

This plan is intended to complement and be implemented in conjunction with other relevant policies, procedures and guidelines.

#### **4.1 Council responsibilities**

Council has a legislated responsibility to provide an open, responsive and accountable government at the local level.

Individually, council members are bound by the Code of Conduct and are responsible for the following:

- (a) acting in an open, transparent and ethical manner;
- (b) making well-informed decisions and ensuring all conflicts of interest are declared;
- (c) ensuring the CEO has implemented proper internal controls to minimise the risk of fraud or corrupt behaviour;
- (d) promoting a culture and environment in which fraud and corruption is actively discouraged; and
- (e) promoting community awareness of Council's commitment to the prevention, detection and resolution of fraud and corruption.

#### **4.2 Council staff responsibilities**

Council employees, volunteers, contractors and other external parties involved in council business have a responsibility to practice sound professional judgement, work in an honest and ethical manner at all times and are responsible for the following:

- (a) complying with council staff Code of Conduct and related policies and procedures at all times;
- (b) promoting an ethical culture and work environment and following established internal controls;
- (c) being vigilant in their work to prevent and detect fraud or corruption;
- (d) performing their role and functions with due care, diligence, honesty and integrity;

- (e) taking care for the management and use of council property which includes avoiding the misuse of council assets and other resources;
- (f) promoting the importance of ethical conduct and compliance with internal controls;
- (g) report any suspected fraud or corruption of which they become aware or suspect on reasonable grounds; and
- (h) assist in any investigations of fraud and corruption as required.

### **4.3 Fraud and corruption risk prevention and reduction strategies**

To minimise the risk of fraud and corruption, Council has implemented the following strategies:

- (a) training will be available which covers fraud and corruption awareness as well as conflict of interest;
- (b) establishment of internal controls including separation of duties, regular account reconciliations, expenditure verification and monthly reporting;
- (c) regular communication of approved delegations;
- (d) ensuring all staff members are adhering to, and working within their delegated responsibilities;
- (e) ensuring council members and staff members understand the responsibilities of their position;
- (f) communicating Council's policies and procedures;
- (g) ensuring council members and council staff understand what behaviour constitutes fraudulent and / or corrupt conduct and how and where suspected incidences are to be recorded and reported.

### **4.4 Reporting suspected fraud and corruption**

Council recognises that the effective communication of this policy will ultimately determine its success and credibility. Council's zero-tolerance stance towards all forms of fraud and corruption will ensure that staff members, volunteers, contractors and the wider community is aware that prevention of such improper conduct is an ongoing priority of Council.

Anyone who has knowledge of an occurrence of fraud, or has reason to suspect that a fraud has occurred, has a duty to raise that matter immediately with the CEO (or the CEO's nominated officer).

All reports must be made in good faith and without malice or an intention to damage the reputation of the Council, council members or its employees.

If the suspected fraudulent activity involves the CEO, then matter should be reported directly to the Mayor / President and to the officer as delegated by the CEO. The employee must not attempt to investigate the suspected fraud or discuss the matter with anyone other than as stated in this section.

### **4.5 Protection of person reporting**

Any individual reporting suspected fraud or otherwise participating in the investigation of fraud will be protected from any form of discrimination, abuse and their identity can remain anonymous.

### **4.6 Investigation**

All reported fraudulent or corrupt behaviour, or suspected behaviour, will be investigated.

Depending on the circumstances of the suspected behaviour, the investigation will either be carried out by staff members appointed by the CEO, or an external investigator.

The purpose of the investigation will be to do the following:

- (a) establish the circumstances of the suspected fraud or corrupt behaviour to determine if fraudulent or corrupt behaviour has actually been committed;
- (b) identify the person(s) responsible for the fraudulent or corrupt behaviour;
- (c) discover the extent of the fraudulent or corrupt behaviour and determine the action to be taken;
- (d) identify how long the fraudulent or corrupt behaviour has been occurring and thereby the extent of the breakdown of internal controls;
- (e) identify any gaps or weaknesses in the controls and systems associated with the activity that is subject to the investigation; and
- (f) recommend improvements in operations to alleviate any future risk of the fraudulent or corrupt incident from reoccurring.

#### 4.7 Outcome of investigation

The outcome of an investigation may provide guidance on actions to be taken by the Council or the CEO against a person(s), if they are found to have engaged in fraudulent or corrupt conduct, activity or behaviour. These may include any or a combination of the below actions, as appropriate in the circumstances:

- (a) reporting the matter to the Independent Commissioner Against Corruption (ICAC);
- (b) disciplinary procedures including dismissal, demotion or reprimand;
- (c) referring the matter to the Police; and
- (d) any other action deemed necessary and appropriate.

#### 4.8 Review of internal controls

On conclusion of an investigation, where fraud or corruption is detected, the adequacy of the relevant internal control environment will be reviewed and processes or procedures strengthened to mitigate the risk of any future occurrence of fraud or corruption.

All changes to internal controls will be developed, documented and implemented as soon as practical, and communicated to staff who have roles and responsibilities in the changed procedures.

**Approved/Not Approved**



Russell Anderson  
A/Chief Executive Officer

26 / 4 /23