

1. Policy Statement

This Policy demonstrates Council's commitment to ensuring that the community is aware of Council's standards in relation to fraud and corruption, and its intention to conduct its business with integrity, transparency, honesty and fairness and to comply with all relevant laws, regulations, codes, corporate standards and best practice standards.

Council has a zero tolerance stance on fraud and corruption and is committed to:

- The control, identification and elimination of all forms of fraud and corruption; and
- Creating an ethical environment that actively discourages and prevents fraud.

All allegations and suspicions of fraud and corruption will be referred to the Public Interest Disclosure (PID) Coordinator, investigated appropriately, and all substantiated cases will be dealt with either by criminal, disciplinary or administrative mechanisms as deemed appropriate by the Chief Executive Officer (CEO).

2. Scope

This Policy applies to all persons acting on behalf of Council, including Councillors, employees (permanent, temporary, casual) and representatives.

3. Responsibility

Council is responsible for the approval of this Policy.

Chief Executive Officer

The CEO is responsible for:

- Creating an honest, ethical and professional culture throughout Council;
- Creating an environment to drive the prevention, control, and minimisation of fraud and corruption across Council;
- Establishing and managing an effective ongoing process to plan, resource, prevent, detect and respond to (including by investigation) fraud and corruption risk across Council. This includes maintaining the training and awareness program; providing relevant support to the investigation of fraud and corruption as required and an auditing process for performance;
- Ensuring complaints are progressed through Council's Complaints Management Framework; and
- Notifying the Crime and Corruption Commission (or its equivalent) of any complaint or suspicion of a complaint involving official misconduct in accordance with the *Crime and Corruption Act 2001*.

Director Corporate, Community and Development Services

The Director Corporate and Community Services (DCCDS) is responsible for conducting and/or coordinating risk assessments in accordance with internal audit and their resultant reviews across all operations.

Directors are responsible for:

- Continuously seeking to identify and prevent potential fraud and corruption;
- Implementation of effective risk prevention and minimisation procedures in day to day operations;
- Ensuring reporting processes are in place to support and protect employees, customers, agents or community members in reporting legitimately suspected fraudulent or corrupt behaviour or inappropriate Conflicts of Interest; and
- Promoting high standards of ethics and integrity.



Employees, Councillors and Representatives

All Council employees, Councillors and representatives have the responsibility of identifying, minimising the risk of, and reporting fraudulent and corrupt activities, and are required to:

- Actively prevent and report suspected breaches to the PID Coordinator and line management;
- Actively identify and report potential deficiencies within the Policy, control procedures or practices to management responsible for monitoring and controlling those activities;
- Conduct themselves in a manner that will ensure they avoid situations where their actions may be perceived to be fraudulent, corrupt or unduly influenced by a Conflict of Interest; or abet, ignore or condone such breaches;
- Report fraudulent and corrupt activity, when they become aware of such activity, to the PID Coordinator, their Supervisor, Manager or if appropriate, another member of the Executive Management Team; and
- Approve transactions, contractual arrangements, purchases, payments, services, agreements, timesheets, leave forms and expenses in accordance with good governance and ethics.

4. Definitions

Conflict of Interest means an interest, pecuniary or otherwise, that may unduly influence decisions, conflict with proper performance of duties, or is incompatible with impartial fulfilment of public or professional duties.

Corruption means a dishonest activity in which a Council employee, Councillor or representative acts contrary to the interest of Council and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or organisation.

Fraud means an intentionally dishonest activity causing actual or potential financial loss (or reputation damage) to any person or organisation including theft of money or other property by employees or persons external to Council. Examples of fraud include, but are not limited to:

- Theft and/or misuse of Council's revenue;
- Unauthorised use of Council assets (including plant and equipment and inventory);
- Credit card fraud;
- Forgery or alteration of cheques, invoices, timesheets, computer records etc.;
- Submission of false taxation arrangements for an employee or contractor;
- Submission of fraudulent applications for reimbursement;
- Payments to fictitious employees or suppliers (third parties);
- False accounting;
- Maladministration;
- Knowingly and willingly pay artificially inflated prices for goods or services received by Council;
- Knowingly and willingly paying for goods or services not received by Council; and
- Wilfully providing false or misleading information to Council or failing to provide information where there is an obligation to do so.

Maladministration means negligent behaviour, which may extend to conduct of a serious nature that is contrary to law, unreasonable, unjust, oppressive, or improperly discriminatory, based upon improper motives, or a result of acting outside the parameters of recommended or reasonable practice.

Public Interest Disclosure (PID) is a report made in accordance with the *Public Interest Disclosure Act 2010*. It can be described as a protected disclosure made by anyone who believes a public authority, public officer or a public sector contractor is acting or may be going to act improperly in their capacity as a public body and public official.



Representatives are those who conduct business on behalf of Council and/or represent Council in operational and/or strategic affairs. They include contractors, consultants, volunteers and agents.

5. Policy

5.1 Compliance

In accordance with established good governance principles, including the Australian Standard AS 8001-2021 Fraud and Corruption Control, Council is committed to the highest possible standards of integrity and accountability in the conduct of all its affairs. This includes controlling and eliminating all forms of fraud and corruption and creating an environment which discourages and prevents fraudulent and/or corrupt activities, eliminates conflicts of interest and ensures adequate systems are in place to deter and/or identify corrupt and fraudulent activities.

The consequences of fraud and corruption can result in a significant drain on community resources and can severely damage Council's reputation. Therefore, Council will enforce all aspects of this Policy to reduce the risk of fraud and corruption. An emphasis on fraud prevention rather than fraud investigation will lead to a reduction of fraudulent activities.

Council will not tolerate fraudulent or corrupt activity and is committed to its control and prevention by:

- Establishing and maintaining an effective system of internal controls and enforcing compliance with those controls;
- Regularly undertaking risk assessments to identify circumstances in which fraud and corruption could potentially occur;
- Implementing fraud and corruption prevention and mitigation strategies in its day to day operations (e.g. separation of duties);
- Establishing formal procedures for the investigation of allegations relating to fraudulent and/or corrupt activity;
- Taking appropriate action in response to allegations of fraudulent and/or corrupt activity including, reporting allegations through appropriate channels and where allegations are substantiated, taking disciplinary action in accordance with Council's Code of Conduct;
- Supervisors and managers must have regard to these points when approving entertainment and hospitality related claims;
- Ensuring all employees and representatives of Council are aware of their obligations in regards to the prevention of fraud and corruption;
- Fostering an ethical environment in which dishonest and fraudulent behaviour is actively discouraged; and
- Generating community awareness of Council's commitment to the prevention of fraud and corruption.

It is expected that this Policy will:

- Protect Council's assets, interests, integrity and reputation;
- Ensure a coordinated approach in dealing with suspected fraudulent and corrupt behaviour; and
- Where appropriate, safeguard the reputation of individuals subject to the operation of this policy.



5.2 Disclosure

Council recognises that the decision to report a concern can be difficult because of the fear of reprisal from those involved in the fraudulent/corrupt activity. Council will not tolerate intimidation, harassment, victimisation, assault or any other inappropriate conduct towards a person for any reason, including being due to a suspicion or belief that the person has made, or may make, a PID and Council will take action to protect those who raise a concern. Therefore, employee safeguards are established to encourage employees to raise concerns they may have about suspected fraud or corruption.

Public Interest Disclosures are dealt with according to Council's Public Interest Disclosure Policy and Procedure and the *Public Interest Disclosure Act 2010* which provides particular protections in relation to public interest disclosures.

The protection of the Act and/or this Policy does not extend to reports or PIDs that are:

- Intentionally false or misleading;
- Frivolous or vexatious;
- Substantially aimed at interfering with the implementation of lawful Council or local government policy; or
- Made in an attempt to avoid disciplinary action.

If a staff member maliciously makes a PID which they know to be untrue their actions will be regarded as corrupt conduct and dealt with accordingly.

A report or a PID can be made in various ways, including:

- In person to an appropriate person (e.g. line manager); or
- In writing (by letter, email or memo) to Council directly.

While the likelihood of a successful outcome is increased greatly if, when making a disclosure, the person makes their identity known, Council will nonetheless accept disclosures anonymously.

5.3 Other: Investigations

In all cases confidentiality and natural justice will be maintained.

In order to encourage a culture of openness and transparency, the CEO, through the DCCDS, will provide a notification to Council's Audit and Risk Committee Chairperson regarding all allegations of fraud or corruption. The Audit and Risk Committee Chairperson will determine if the matter should be formally tabled at the next available meeting of the Audit and Risk Committee and/or if other Audit and Risk Committee members should be advised of the allegation (either at all or more urgently). If the claim is regarding the CEO, the DCCDS will be responsible for the action detailed.

The PID Coordinator will be responsible for establishing procedures to investigate allegations of fraud and corruption, appropriate to the circumstances, and in accordance with the *Public Interest Disclosure Act 2010*, and related legislation (e.g. requirement to notify the Crime and Corruption Commission in certain cases).

The PID Coordinator will provide a report on completed investigations to Council's Audit and Risk Committee detailing the general circumstances, summary of the investigative process, findings and actions being taken to prevent further occurrences (where applicable).



6. Legal Parameters

- *Crime and Corruption Act 2001;*
- *Human Rights Act 2019;*
- *Local Government Act 2009;*
- *Local Government Regulation 2012;*
- *Public Interest Disclosure Act 2010;* and
- *Public Sector Ethics Act 1994.*

7. Associated Documents

- Code of Conduct;
- Enterprise Risk Management Plan;
- Public Interest Disclosure Policy;
- Public Interest Disclosure Procedure;
- Complaint against a Public Official Policy; and
- Australian Standard AS 8001-2021 Fraud and Corruption Control.

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