

COUNCIL POLICY



TITLE:	FRAUD AND CORRUPTION CONTROL POLICY – VERSION 1
DOCUMENT NUMBER:	CPO-CORPS-GE-001
DEPARTMENT:	Corporate Services
UNIT:	Corporate Services
RESPONSIBLE OFFICER:	Director Corporate Services <i>Checked</i> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

APPROVED BY:	Audit Committee & Council
APPROVAL DATE:	Audit Committee: 6 June 2019 Council: 25 June 2019
EXPIRY DATE:	25 June 2023
REVIEW DATE:	1 March 2023 <i>This policy will be reviewed every four years or as required by any legislative or council changes.</i>

AVAILABILITY:	Staff – Unit only	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	Staff – Department only	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	Staff – Organisation wide	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	Public	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	Internet	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
ADVISE AVAILABILITY:	Media Release	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	Sou Wester (Author to prepare article)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	Email designated Groups & Staff	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1. Purpose

The purpose of this document is to clearly outline the expected conduct of, employees, volunteers and contractors of the Glenelg Shire Council (GSC) in relation to Prevention, Detection and Reporting of fraudulent and corrupt activity.

This Policy and the supporting Fraud and Corruption Control Plan supports Council staff with increased knowledge and guidance regarding fraud issues, indicators of behaviour that may lead to fraud detection, reporting obligation and procedures for how to deal with fraudulent and corrupt behaviour.

2. Objectives

The objectives of this Policy are to:

- Develop and support a culture of awareness where employees have an understanding of expected behaviour and a willingness to report any incidents of suspected fraud
- Provide a strategic framework that ensures Council employees understand their responsibilities in the prevention, detection and reporting of fraud
- Reduce the opportunities for the occurrence of fraud by improving the effectiveness of GSC fraud and corruption management framework
- To protect public money and assets, and to protect the integrity, security and reputation of the GSC Councillors, employees, and the services it provides to the community.

3. Scope

This Policy applies to all employees and volunteers engaged directly by GSC as well as all agents and contractors either engaged by GSC or by an authorised contractor of GSC.

4. Council Policy Statement

GSC is committed to protecting its revenue, expenditure, reputation and assets from any attempt, by members of the public, contractors, agents, intermediaries or its own employees to gain financial or other benefits by deceit or dishonest conduct. GSC requires all Council employees, volunteers, contractors and agents of GSC to act honestly and with integrity and to safeguard the public resources for which they are responsible.

Council will not tolerate fraud and corruption in any form and is committed to:

- Preventing fraud and corruption in the workplace
- Ensuring immediate and appropriate investigation procedures are implemented in the case that fraud and corruption is suspected
- Referring cases of suspected fraud and corruption to the authorities following due investigation
- Applying appropriate disciplinary penalties should fraud and corruption occur
- The recovery of any loss suffered through fraudulent and corrupt activity

All reports of fraud and corruption received will be fully investigated and appropriate action taken. Employees must be aware of the GSC intention to suspend or dismiss employees, report internal and/or external fraudulent and/or corrupt activity to Victoria Police, the Local Government Inspectorate, the Victorian Ombudsman or IBAC and prosecute, where appropriate, employees and any other parties to the matter, found to be involved in fraudulent or corrupt activities. GSC will pursue recovery of any financial loss through civil proceedings.

This Policy also complements GSC's commitment to the Staff Code of Conduct, the GSC Protected Disclosure Act Vic (2012) – Policy & Procedure, and other related GSC policies, procedures and guidelines. The GSC Fraud and Corruption Control Plan provides procedural direction and information for all GSC employees and contractors to follow in order to prevent, detect and report instances of fraudulent activity. All levels of management and employees are responsible for the prevention and detection of fraud and corruption and for the implementation and operation of controls that minimise fraudulent and corrupt behaviour within their area of responsibility. Further detail of responsibility and accountability is provided within the GSC Fraud and Corruption Control Plan.

5. Definitions of Fraud and Corruption

Fraud is defined in accordance with the Australian Standard: Fraud and Corruption Control AS 8001-2008 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.”

The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered “fraud” for the purposes of this definition.

Examples are (but not limited to):

- Theft and/or misappropriation of GSC revenue in the form of cash, cheques, money order, electronic funds transfer or other negotiable instrument.
- Unauthorised removal of equipment, parts, software, and office supplies from GSC premises.
- Deliberate over-ordering of materials or services to allow a proportion to be used for personal purposes.
- Submission of sham taxation arrangements for an employee or contractor to circumvent GSC procedures for engagement of employees and contractors.
- Submission of fraudulent applications for reimbursement.
- Payment of fictitious employees or suppliers.
- Falsification of time records.
- Damage, destruction or falsification of documents for the purpose of material gain.
- Failure to disclose a conflict of interest in the performance of duties as a councillor, employee or contractor of GSC.
- Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of Council-owned software.

Further examples of fraudulent activity are provided within the GSC Fraud and Corruption Control Plan.

Corruption is defined in accordance with the Australian Standard: Fraud and Corruption Control AS 8001-2008 as:

“Dishonest activity in which a councillor, executive, manager, employee or contractor 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. The concept of ‘corruption’ within this standard can also involve corrupt conduct by the entity,

or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly.”

For further definitions of Fraud and Corruption related terminology refer to the Australian Standard: Fraud and Corruption Control AS 8001-2008.

Legislation

- *Local Government Act 1989*
- *Charter of Human Rights and Responsibilities Act 2006.*
- *Protected Disclosures Act 2012*
- *Public Administration Act 2004*
- *Independent Broad-Based Anti-Corruption Commission Act 2011*

Related Policies And Delegations

- GSC Fraud and Corruption Control Plan
- GSC Equal Opportunity, Anti-Discrimination & Anti Bullying Policy OPO-CEO-HR-001
- GSC Privacy Policy CPO-CORPS-GE-006
- GSC Staff Code of Conduct
- GSC Performance Management Procedure OPR-CEO-OD-009
- GSC Customer Service Charter
- GSC Customer Complaints Handling Policy - CPO-CORPS-CUSTS-003
- GSC Gifts, Benefits & Hospitality Policy - CPO-CEO-CS-007
- GSC Records Management Policy OPO-CORPS-RECM-001
- GSC Media Policy OPO-CEO-MD-001
- GSC Protected Disclosure Act Vic (2012) – Policy & Procedures CPO-CORPS-GE-012

Supporting Documents

- Conflict of Interest Guide (Members of Council Staff) – Local Government Victoria
- Protected Disclosure Guidelines 2016
- Protected Disclosures Regulations 2013
- Australian Standard on Fraud Control and Corruption Control (AS 8001: 2008)
- Australian Standard in Risk Management (AS 4360: 2004)