



COUNCIL POLICY

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| TITLE: | FRAUD AND CORRUPTION CONTROL POLICY |
| ID NUMBER: | CPO-CORPS-GE-001 DocSetID: 2553622 |
| DEPARTMENT: | Corporate Services |
| UNIT: | Corporate Services |
| RESPONSIBLE OFFICER: | Director Corporate Services |

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| ADOPTED DATE AND BY WHOM: | Audit and Risk Committee: 14 September 2023 Council Meeting: 24 October 2023 |
| EXPIRY DATE: | 24 October 2025 |
| REVIEW DATE: | 24 August 2025 <i>This policy will be reviewed every two years or as required by any legislative or council changes.</i> |

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| AVAILABILITY: | 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 (Responsible Officer to prepare article) | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

1. References

- *Local Government Act 2020*
- *Charter of Human Rights and Responsibilities Act 2006.*
- *Public Interest Disclosures Act 2012*
- *Public Administration Act 2004*
- *Independent Broad-Based Anti-Corruption Commission Act 2011*
- *Privacy and Data Protection Act 2014*
- Australian Standard on Fraud and Corruption Control (AS 8001: 2021)
- Australian Standard in Risk Management (AS ISO 31000:2018)
- Australian Standard in Anti-bribery Management Systems (AS ISO 37001:2019)
- Australian Standard in Information Security Management (AS ISO 27001:2022)

Related Policies and Delegations

- Fraud and Corruption Control System (DocSetID 2553623)
- Equal Opportunity, Anti-Discrimination and Anti Bullying Policy (DocSetID 1750333)
- Privacy Policy (DocSetID 643084)
- Staff Code of Conduct (DocSetID 1706557)
- Councillor Code of Conduct (DocSet ID 2246857)
- Performance Improvement Procedure (DocSetID 2270468)
- Customer Service Charter (DocSetID 2303623)
- Customer Complaints Handling Policy (DocSetID 2299280)
- Gifts, Benefits and Hospitality Policy – Employees (DocSetID 2606019)
- Records Management Policy (DocSetID 1933907)
- Media Policy (DocSetID 1454922)
- Governance Rules (DocSetID 2726760)
- Information Security Policy (DocSetID 3003942)
- Public Interest Disclosure Procedures (Whistleblower) (DocSetID 2580165)

The position of Director Corporate Services is the appointed Public Interest Disclosure Coordinator (PID). If improper conduct is suspected, Council's PID Coordinator can be contacted as follows:

Public Interest Disclosure Coordinator

Mr David Hol

Director Corporate Services

Phone: (03) 5522 2222

Email: pid@glenelg.vic.gov.au (dedicated public interest disclosure email address) or dhol@glenelg.vic.gov.au

2. 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 System supports Council staff with increased knowledge and guidance regarding fraud and corruption issues, indicators of behaviour that may lead to fraud detection, reporting obligation and procedures for how to deal with fraudulent and corrupt behaviour.

2.1 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 or corruption.
- Provide a strategic framework that ensures Council employees understand their responsibilities in the prevention, detection and reporting of fraud and corruption.
- 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

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; and
- 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 Public Interest Disclosure Procedures (Whistleblower), and other related GSC policies, procedures and guidelines. The GSC Fraud and Corruption Control System 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 System.

4.1 Definitions of Fraud and Corruption

Fraud is defined in accordance with the Australian Standard: Fraud and Corruption Control AS 8001:2021 as:

“Dishonest activity causing actual or potential gain or loss to any person or entity including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity.”

Property in this context also includes intellectual property or other intangibles such as information. Fraud 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. While conduct must be dishonest for it to meet the definition of “fraud” the conduct need not necessarily represent a breach of criminal law. The concept of fraud within the meaning of the Standard can involve fraudulent conduct by internal and/or external parties targeting the organisation itself targeting external parties.

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; and
- Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of Council-owned software;
- Unauthorised release, dissemination or use of confidential and private information held by GSC, including within GSC's ICT infrastructure or in physical format.

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

Corruption is defined in accordance with the Australian Standard: Fraud and Corruption Control AS 8001:2021 as:

“Dishonest activity in which a person associated with an organisation (e.g. director, executive, manager, employee or contractor) acts contrary to the interests of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly.”

For further definitions of Fraud and Corruption related terminology refer to the Australian Standard: Fraud and Corruption Control AS 8001:2021.

5. Records Management

All Council records created and managed as a result of implementing this policy will be managed in accordance with the Council's Records Management Policy.

The Records Management Policy assigns responsibilities for records management to employees, supervisors, volunteers and other specific positions.

No Council records are to be destroyed without consideration of the requirements of the Acts that govern the functions relevant to this policy. Prior to destruction, advice must be sought from the Information and Data Unit, with consideration to the requirements of the appropriate Retention and Disposal Authority (RDA).

6. Victorian State Legislation Copyright Acknowledgement

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