

GREATER SHEPPARTON CITY COUNCIL

Policy Number 15.POL1

FRAUD AND CORRUPTION POLICY

Version 1.0

Adopted 15 May 2018

Last Reviewed 15 May 2018

Business Unit:	Corporate Services
Responsible Officer:	Manager Corporate Governance
Approved By:	Chief Executive Officer
Next Review:	October 2020

PURPOSE

The purpose of this policy is to demonstrate Council’s commitment to the prevention, detection and investigation of any fraudulent or corrupt activity. Greater Shepparton City Council is committed to protecting its revenue, assets, information and reputation from any attempt by internal or external parties to gain financial or other benefits through deceit.

OBJECTIVE

The objectives of this policy are to:

- Summarise the responsibilities and expected behaviors of Councillors, employees, contractors, volunteers and all other associated external parties of Greater Shepparton City Council with regards to fraudulent and corrupt activities;
- Protect Council’s assets and reputation, staff and ratepayers;
- Provide a transparent, consistent approach to managing suspected fraud and corrupt activities; and
- Encourage, support and protect persons who report suspected fraud and corruption.

SCOPE

This policy applies to all councillors, employees, volunteers, committee members and contractors of the Council.

The Policy document is enacted through the Fraud Control Plan.

DEFINITIONS

Reference term	Definition
Corruption	Corruption as defined by AS 8001 – 2008 is dishonest activity in which a Councillor, Executive Officer, Manager, employee, contractor or volunteer of Greater Shepparton City Council acts contrary to the interests of Council and abuses their position of trust to achieve some personal gain or advantage either for themselves or for another person or entity.
Fraud	Fraud as defined by AS 8001 – 2008 is dishonest activity causing actual or potential financial loss to Council, including theft of moneys or other property.
Contractor	Any organisation that includes sub-contractors, agents or suppliers that provide works, goods and/or services to Council

1. GENERAL POLICY

Council, in collecting and expending revenue, and managing assets, has a responsibility to its stakeholders for ensuring these resources are protected against the risk of fraud.

Council has a zero-tolerance towards fraud and is committed to an organisational culture that prevents, detects and deters fraud.

Council will take action against any suspected acts of fraud or corruption, regardless of the position held by or relationship to any person who may become subject to investigation.

Council shall implement controls to reduce the possibility of fraud or corruption occurring. This shall include, but not be limited to, a fraud control plan, fraud risk assessment and auditing.

Council does not tolerate the taking of reprisals against those who come forward to disclose fraudulent or corrupt conduct.

2. ROLES AND RESPONSIBILITIES

Responsibility for fraud and corruption prevention rests with all levels of management, Councillors, staff, volunteers and agency or contract staff who represent Council and who collectively must accept ownership of the controls relative to this policy. All parties must comply with this policy.

All staff and Councillors are responsible for :

- i. Safeguarding Council assets against theft, waste or improper use
- ii. Understanding what behaviour constitutes fraud or corruption
- iii. Being vigilant and alert to any irregularities or indicators and reporting any suspected fraud or corruption by staff in accordance with Section 4 of this policy.

i. Executive

The Executive have primary responsibility to:

- i. Ensure that all parties are aware of their responsibilities in relation to fraud and corruption
- i. Implement and communicate Councils fraud prevention policy and fraud control plan;
- ii. Be aware of irregularities and report suspected fraud in accordance with Section 4 of this policy

ii. Managers

Managers are responsible to:

- i. Provide guidance and instruction to all staff relative to their responsibilities and fraud reporting requirements
- ii. Identify fraud risks that are relevant to their Department and ensure there are reasonable controls to identify and/or prevent fraudulent or corrupt activity
- iii. After any incident of fraud within their Directorate, review systems and processes with a view to preventing future occurrences
- iv. Monitor and actively manage excessive outstanding leave of staff in risk exposure areas
- v. Ensure that all contractors working for their Department are aware of Council's Fraud and Corruption Policy and that contractors' staff are aware of their responsibilities and unacceptable behaviours
- vi. Maintain effective auditing and reporting on key financial systems
- vii. Set an example and advise employees of the acceptability or otherwise of conduct that may compromise this policy

iii. Manager, Corporate Governance (Protected Disclosure Co-ordinator)

The Manager Corporate Governance is responsible to:

- i. Control and update the Policy on Fraud and Corruption;
- ii. Receive reports of fraud and corruption and make a determination in each case of whether the Protected Disclosure Act applies;
- iii. Determine the need for a preliminary investigation of any allegation, and manage resources in relation to this
- iv. Establish and manage a confidential filing system for reported incidents of fraud or corruption;
- v. Collate and report statistics on instances of Fraud and Corruption to the CEO and the Audit And Risk Management Committee

iv. Audit and Risk Management Committee

- i. Monitor Council's fraud and corruption control framework, including the development and implementation of the fraud policy, fraud control plan, fraud risk assessment, fraud training and fraud investigation procedures.
- ii. Monitor actual instances of fraud and corruption, ensuring there is adequate review of procedures to address any weaknesses that have been exploited.

v. Risk Team

- i. Prepare and monitor adherence to the fraud policy and fraud control plan
- ii. Maintain the fraud risk register
- iii. Provide assistance with any fraud or corruption investigations as requested
- iv. Provide assurance that fraud & corruption controls are operating effectively
- v. Ensure that appropriate insurance is in place

vi. Internal Audit

Internal Audit are responsible to:

- i. Act in an advisory capacity to assist Council in achieving good control processes, helping in fraud prevention
- ii. Performed audits by suitably qualified people from relevant fields of expertise
- iii. Promptly report any suspected fraud or corruption by staff in accordance with Section 4 of this policy.

vii. External Audit

- i. Promptly report any suspected fraud or corruption by staff in accordance with Section 4 of this policy.

3. FAIR DUE PROCESS

Council is committed to the aims and objectives of the Protected Disclosure Act 2012 and will not tolerate the taking of reprisals against those who come forward to disclose fraudulent or corrupt conduct. To support this process, Council has adopted the Protected Disclosure Procedure 37, which is available on the intranet.

No person acting on behalf of the Council shall:

- a) Dismiss, suspend, discipline or penalise an employee;
- b) Threaten to dismiss, suspend or discipline, an employee;
- c) Intimidate or coerce an employee,

because the employee acted in accordance with the Protected Disclosure Procedure. Violation of this may result in disciplinary action, including termination of employment.

4. REPORTING

Fraud prevention rests with all Council Representatives and contractors and everyone has the responsibility to report suspicions of unethical and / or fraudulent conduct. Where it is suspected that an act of fraud or corrupt conduct is occurring or has occurred, this should be reported to the Manager Corporate Governance or Director, Corporate Services, who will determine whether Protected Disclosure reporting requirements apply or if internal fraud procedures are to be followed.

Where an internal investigation occurs, a report will be submitted to the Chief Executive Officer. If allegations have been confirmed as true, the report will be forwarded to the Victorian Police, Local Government Inspectorate or IBAC as appropriate.

Summary statistics on instances of Fraud and Corruption will be reported to the CEO and the Audit and Risk Management Committee.

RELATED POLICIES AND DIRECTIVES

- *Councillor Code of Conduct*
- *GSCC Fraud Control Plan*
- *Code of Conduct Policy 46.POL35*
- *Protected Disclosure Policy 37.POL9*
- *Gifts and Benefits Policy 37.POL1*

RELATED LEGISLATION

- *Protected Disclosure Act 2012*
- *Local Government Act 1989*

REVIEW

The Manager Corporate Governance is to review this document every three years in order to identify and implement improvements. Reviews may be undertaken sooner in response to changes in legislation or the organisation's processes.



Peter Harriott
Chief Executive Officer

6/6/2018
Date