Fraud and Corruption Prevention and Management Policy

Purpose

This policy outlines the approach taken by Wodonga Council (the council) in the prevention, detection and management of fraudulent and corrupt activity. Fraud and corruption can result in financial loss, a decrease in public confidence and negative reputational impacts, causing significant damage to the council.

The council is committed to protecting public money, assets, information and its reputation from any internal or external persons gaining financial or other benefits by deceit or other dishonest conduct.

The council is also committed to the organisational values of trust, integrity, respect and learning, and views this policy as a demonstration of its transparent approach to managing fraud and corruption.

Scope

This policy applies to all councillors, employees, volunteers, authorised agents and contractors of the council. It applies at all levels of the organisation.

Definitions

Definition	Examples
Fraud Dishonest activity causing actual or potential gain or loss to any person or organisation 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. This extends to the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose and the improper use of information or position for personal financial benefit.	• Theft and unauthorised use of council assets by employees; • Theft of inventory by employees; • False invoicing; • Theft of funds other than by way of false invoicing; • Theft of cash ; • Misappropriation or misdirection of remittances received by an entity from a debtor; • Unauthorised use of a credit card or credit card number; • Loan application made in a false name and supported by false documentation; • Theft of intellectual property or other confidential information; and • Payroll-related financial misconduct

Fraud and Corruption Prevention and Management Policy

Definition	Examples
Corruption Dishonest activity in which a person associated with an organisation (e.g. 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.	• Giving or accepting bribes or inappropriate gifts; • Dishonestly using influence; • Committing fraud, theft or embezzlement; • Misusing information or material acquired at work; • Undisclosed conflict of interest; • Under-the-table transactions; • Manipulating elections; • Manipulating procurement processes; • Diverting funds; • Laundering money; and • Conspiring or attempting to engage in the above corrupt activity
External Fraud Fraudulent activity where no perpetrator is employed by or has a close association with the target organisation.	• Vendor submits inflated or false invoices; • External organisations or individuals applying for council grants using falsified information or misrepresenting how the funds will be used; and • Members of the public file fraudulent claims for injuries or damages allegedly caused by council services or infrastructure

Policy

The council has zero tolerance for fraud and corruption and promotes an organisational culture that prevents, detects and deters fraud and corruption.

The council will take action in response to any suspected acts of fraud or corruption, regardless of the position held by or relationship with those who may become subject to investigation.

The council will implement processes to ensure that any conflicts of interest will be properly disclosed and dealt with in an appropriate manner.

The council will implement effective controls to either eliminate or reduce the possibility of fraud and corruption occurring. This will include, but not be limited to, a fraud and corruption control system, a fraud and corruption risk assessment and internal and external auditing.

Fraud and Corruption Prevention and Management Policy

The council will utilise available resources to implement effective fraud and corruption controls, conduct investigations if fraudulent and corrupt activities are suspected and conduct appropriate awareness training for staff.
The council encourages all councillors, employees, authorised agents, contractors and members of the community to report any suspicion of fraudulent or corrupt activities.

The council is committed to the objectives of the Public Interest Disclosures Act 2012 (the Act) and will not tolerate the taking of reprisals against those who come forward to disclose fraudulent or corrupt conduct. To support this process, the council has adopted the Public Interest Disclosure Procedures.

In accordance with the Public Interest Disclosure Procedures, the council will:

- Ensure the procedures are accessible on its website and available internally and externally;
- Ensure appropriate training is provided at all levels of the organisation to raise awareness on how a public interest disclosure may be made and take reasonable steps to ensure employees and councillors are familiar with relevant policies, procedures and codes of conduct;
- Ensure its reporting system is centralised and accessible only by appropriately authorised officers;
- Ensure the reporting system protects the confidentiality of information in accordance with the Act;
- Ensure the reporting system protects the identity of persons connected with a public interest disclosure in accordance with the Act;
- Not tolerate detrimental action taken in reprisal against any person for making a public interest disclosure, including taking reasonable steps to protect such persons from such action being taken against them;
- Afford natural justice to and treat fairly those who are the subject of allegations contained in disclosures;
- Take the appropriate disciplinary and other action against any person engaged in the taking of detrimental action;
- Ensure any employee involved in handling public interest disclosures is trained to receive and manage disclosures appropriately;
- Ensure that public interest disclosures are handled consistently and appropriately in accordance with its obligations under the Act, Regulations made under the Act, the Guidelines issued by the Independent Broad-based Anti-corruption Commission (**IBAC**) and the Public Interest Disclosure Procedures; and
- Be visible, approachable and openly communicate and lead by example in establishing a workplace that supports the making of public interest disclosures.

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

The council will encourage all councillors, employees, authorised agents, contractors and members of the community to report any suspicion of fraudulent or corrupt activities.

Fraud and Corruption Prevention and Management Policy

The council will also provide a fair mechanism to ensure that:

- Those who suspect that fraudulent or corrupt activity may be occurring, are not victimised or disadvantaged for making allegations in accordance with the council's Public Interest Disclosure Procedure;
- There is a fair process in place for staff against whom allegations are made; and,
- All matters concerning the suspicion of fraud and corruption are treated in the strictest of confidence.

This policy is supported by a Fraud and Corruption Control Plan.

Attachments

Nil

Related policies, plans and procedures

This policy relates to all council policies that apply to staff and involve the potential for fraud and corruption, however, the key policies, plans and procedures most directly linked are listed below:

- *Fraud and Corruption Control Plan*
- *Risk Management Policy*
- *Privacy Policy*
- *Council Expenses Policy*
- *Gifts and Hospitality Policy*
- *Staff Code of Conduct*
- *Governance Rules*
- *Councillor Code of Conduct*
- *Investment Policy*
- *Instruments of Delegation Policy*
- *Public Disclosure Procedures*

Related legislation

- *Local Government Act 1989*
- *Local Government Act 2020*
- *Public Interest Disclosure Act 2012*
- *Privacy and Data Protection Act 2014*
- *Crimes Act 1958.*

Fraud and Corruption Prevention and Management Policy

References

- *AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines*
- *AS 8001-2021 Fraud and Corruption Control Standards*
- *Conflict of Interest Guide Councillors, Committees and Staff*
- *Australian National Audit Office - Resource Management Guide No. 201 – Preventing, detecting and dealing with fraud – August 2017*
- *IBAC – Operation Watts Special Report – July 2022*
- *VAGO – Fraud prevention strategies in Local Government – June 2012.*
- *VAGO – Fraud and Corruption Control – Local Government – June 2019*
- *VAGO – Fraud Control over Local Government Grants – May 2022*

Review

The council may review this policy at any time but unless otherwise requested at least every two years from the date of adoption. Minor amendments to the policy may be authorised by the CEO at any time where such changes do not alter the substance of the policy (e.g. typographical errors, a change to the name of a related policy, or a change to the title of legislation).

Title:	Fraud and Corruption Prevention and Management Policy
Reference No:	D18.55343[v5]
Business Unit:	Business Services
Category:	Quality Manager - Strategic and Governance Policy
Approved By:	(insert date)
Next Review:	(insert date)