



Fraud and Corruption Control Policy 2022

Policy Type	Major Council Policy
Department	People & Governance
Date of Council Endorsement	30 August 2022
Date for Review	August 2025
Responsible Officer	Manager People and Governance
Authorising Officer	Director Corporate Services
Version Reference Number	1.3
SIM Reference Number	RCOW-631633092-481

1. Statement and Purpose

1.1 This Policy outlines Council's commitment to proactive and effective fraud and corruption control and its approach to preventing, detecting, reporting and taking appropriate action in instances of fraud and corruption from all Council agents.

1.2 Council aims to proactively and effectively prevent fraudulent and corrupt conduct and this policy satisfies the minimum Australian Standard AS 8001:2021 by implementing robust cyber security and access controls on all digital platforms that Council agents have access to, as well as establishing other mechanisms to provide for the prevention, detection and reduction of all forms of fraud and corrupt conduct within the organisation.

2. Scope

2.1 This policy applies to all Councillors, Council employees and agents of Council.

2.2 Agents of Council extends to include contractors working in-house, staff on exchange, members of Delegated Committees, members of Advisory Committees, volunteers, work experience students or graduate placements who perform work for Council, as well as external suppliers and other contractors and subcontractors who perform work for or on behalf of Council.

2.3 Examples of fraudulent acts can include:

- Using Council property or assets for non-work related purposes;
- Falsification of time records to obtain an expense reimbursement;
- The destruction of Council documents for the purposes of material gain;
- Misrepresenting your qualifications or skills in order to secure a material gain, including an employment contract; and
- Unauthorised amendments or corrections to previously authorised forms

3. Policy

3.1 Council has a zero tolerance for fraudulent and corrupt acts by any of its agents and is committed to protecting its community, revenue, expenditure, property and people from fraudulent and corrupt activity by taking a systematic approach to the control of fraud and corruption.

3.2 Appropriate control mechanisms exist in its online databases and digital platforms to ensure that:

- i. only authorised people have access to information that could potentially be used in a fraudulent or corrupt way; and
- ii. there is a clear chain of command in relation to this access.

Council's commitment to fraud and corruption control will be managed by ensuring that:

- a) fraud and corruption risks are identified and controlled by Council agents with the requisite knowledge and authority to make these decisions;
- b) fraudulent and corrupt activity is prevented;
- c) conflicts of interest are communicated and managed in accordance with Council's existing conflict of interest framework;
- d) auditing systems are in place to deter and/or detect fraudulent and corrupt activities;
- e) there is compliance of all provisions of relevant legislation, including the *Local Government Act 2020* (Vic) and the PID Act;
- f) it promotes the objectives of state and federal anti-corruption and fraud control agencies, including IBAC, within the organisation.

3.3 The community, Councillors, Council employees and agents of Council must report any instances or suspected instances of fraud or corruption via Councils Complaints Procedure, the Public Interest Disclosure Procedure or to a relevant external body such as the Independent Broad-based Anti-Corruption Commission. For clarity on the appropriate agency in which to report allegations of fraud or corruption, the Council's Governance and Reporting Advisor can provide guidance.

3.4 Council has established an organisational culture where transparency, accountability, integrity and stewardship are embraced. Council will ensure all Councillors, employees and agents of Council have a clear understanding of expectations in relation to fraud and corruption and the process for reporting incidents and will ensure that current advice is provided on a consistent basis.

3.5 Council is committed to ensuring that Council agents and its community feel comfortable to raise any suspicions or allegations of fraudulent or corrupt conduct and, pursuant to the *Public Interests Disclosure Act 2012 (Vic)*, will ensure that all appropriate support is provided to any Council agent who has made a disclosure under this policy.

3.6 Strict confidentiality will be applied to any allegations of fraud or corruption and their subsequent investigation in accordance with that investigations' applicable processes

4. Roles and responsibilities

4.1 Councillors

- a) Approve and understand the Fraud and Corruption Control Policy; and
- b) Display and promote ethical behaviour in all dealings with the community and other Council agents.

4.2 CEO

The CEO has ultimate accountability for fraud and corruption control within Council and must:

- a) ensure policies and procedures are current and complied with; and
- b) establish appropriate governance structures and monitor their effectiveness; and
- c) report all instances of matters suspected on reasonable grounds to involve the misuse of public power or position to the Independent Broad-based Anti-Corruption Commission (IBAC) which is mandated by the Independent Broad-based Anti-Corruption Commission Act 2011 (Vic). This reporting is separate to the reporting of all Public Interest Disclosures; and
- d) expeditiously report any suspected fraud or corruption event to other relevant agencies and Councils Audit and Risk Committee (ARC), as appropriate; and
- e) commission an appropriate person(s) to investigate identified fraud or corruption events and to seek recovery of assets or other resources, if appropriate; and
- f) display and promote ethical behaviour.

4.3 Corporate Management Team (CMT)

- a) Ensure fraud and corruption control is embedded into the risk management framework; and
- b) Monitor the implementation of this policy; and
- c) Display and promote ethical behaviour; and
- d) Assist with the management of any fraud or corruption events, as appropriate.

4.4 Managers and Co-ordinators

- a) Comply with this Policy and promote awareness and compliance with this Policy to their staff and agents; and
- b) Regularly contribute to the identifying and documenting of fraud and corruption risks; and
- c) Ensure strong fraud and corruption controls are present, regularly reviewed, and complied with in their area of responsibility; and
- d) Educate their staff and agents of Council about fraud and corruption controls and procedures; and
- e) Display and promote ethical behaviour.

4.5 Staff and Agents of Council

- a) Comply with this Policy; and
- b) Assist in the identification of fraud and corruption-related risks; and
- c) Report any allegations of fraud or corruption; and
- d) Safeguard Council assets and information against theft or misuse; and

4.6 Audit and Risk Committee (ARC)

- a) Review this Policy;
- b) Review the fraud and corruption risk controls and treatments reported to the ARC;
- c) Review reports on the investigation of fraud or corruption events and consider proposed mitigation actions to prevent recurrence; and
- d) Ensure fraud control is adequately considered in the Internal Audit Plan.

4.7 Public Interests Disclosure Co-ordinator (PIDC)

- a) Receive allegations of fraud or corruption where the disclosure falls within the *Public Interests Disclosure Act 2012* (Vic).

4.8 People and Governance Department

In conjunction with the Finance Department:

- a) monitor and review the risk register; and
- b) provide reports on fraud and corruption risk controls and treatments to CMT and the ARC; and
- c) assist in the investigation and recovery of any identified fraud or corruption events; and
- d) update the Fraud and Corruption Control Policy; and
- e) maintain this Policy and associated procedure and provide training and advice to staff and associates of Council at least once in this policy's review cycle. The methodology and scope of this training and/or advice is at the discretion of the People and Governance

Department but must, at a minimum, include financial and procurement training and Divisions 1 -4 of Part 6 (Council Integrity) of the *Local Government Act 2020* (Vic).

5. Breaches

5.1 Council will ensure that all allegations of fraud or corruption are investigated confidentially, promptly and thoroughly in accordance with this policy and all applicable legislation.

5.2 Investigations will be undertaken in accordance with Council's Complaints Policy and Procedure, or, if the discloser wishes to seek the protection of the Public Interest Disclosures Act, the Public Interest Disclosures Policy and Procedure will be used.

5.3 Councillors, Council employees and agents of Council must be aware of Council's intention to:

- a) take appropriate action against any person, or entity, involved in fraudulent or corrupt conduct, including disciplinary action, or termination of their contract of employment in accordance with Council policy;
- b) report internal and/or external fraudulent or corrupt activity to police, or other appropriate external bodies; and
- c) refer to Police for potential prosecution of any party to the matter found to be involved in fraudulent or corrupt conduct.

5.4 In accordance with Council's Public Interest Disclosure Policy, if a Council employee suspects any fraudulent or corrupt activity has been committed by another staff member, they must report this suspicion in writing to their line manager at the first instance.

5.5 If an employee suspects their line manager of any fraudulent or corrupt activity, they must report this suspicion to Council's Public Interest Disclosure Coordinator (or to IBAC if their line manager is the Public Interest Disclosure Coordinator).

5.6 If the CEO suspects any fraudulent or corrupt activity has been committed by a Council employee, they must report this to the Public Interest Disclosure Coordinator. If the CEO suspects any fraudulent or corrupt activity has been committed by a Councillor, they must report this to IBAC.

5.7 If a Councillor suspects any fraudulent or corrupt activity has been committed, they must report this to the CEO (or to IBAC if this is impractical).

5.8 If a Council employee or associate suspects any fraudulent or corrupt activity has been committed by the CEO, they can make a complaint, or provide information, directly to IBAC.

Council's People and Governance team can provide any clarification on any of the above disclosures.

Council may also pursue recovery of any financial loss through civil proceedings.

6. Monitoring and evaluation

The Fraud and Corruption Control Policy will be monitored by CMT regularly and by the ARC every three years. Changes to this Policy require Council approval and community consultation in accordance with Council's deliberative engagement principles.

7. Definitions

Agents of Council	Contractors working in-house, staff on exchange, members of Delegated Committees, members of Advisory Committees, volunteers, work experience students or graduate placements who perform work for Council as well as external suppliers and other contractors and subcontractors.
CEO	The person appointed as Chief Executive Officer for the Rural City of Wangaratta, including any duly appointed Acting CEO
CMT	Council's Corporate Management Team, comprising the CEO and each Council Director.
Corruption	Corruption is defined by IBAC as 'the misuse of public power or position'.
Councillors	A person who has been elected as a Councillor for the Rural City of Wangaratta
Fraud	Fraud is defined by the ACCC as 'dishonestly obtaining a benefit, or causing a loss, by deception or other means'.
Public Interests Disclosure Coordinator	The person duly appointed by the CEO as Council's Public Interests Disclosure Coordinator.

8. References

8.1 Legislation

Independent Broad-based Anti-Corruption Commission Act 2011 (Vic)

Local Government Act 2020 (Vic)

Public Interests Disclosure Act 2012 (Vic)

8.2 Internal policies

Complaints Policy

Employee Code of Conduct

Gifts, Benefits and Hospitality Policy

Public Interests Disclosure Policy

Risk Management Policy

8.3 Australian Standard

Australian Standard AS 8001-2021 Fraud and Corruption Control

9. Review

This Policy will be reviewed in three years from the date of endorsement, or as required by legislation, or if Council determines a need has arisen.

Version History		
Version Number	Date of change	Reasons for change
1	19 May 2022	Standard review to satisfy operational and legal requirements
1.1	19 May 2022	Minor administrative changes
1.2	15 June 2022	Minor amendment to breaches section
1.3	1 August 2022	Changes made to policy after feedback from Audit and Risk Committee