

Date Adopted September 2008
Date Reviewed December 2017
To be Reviewed December 2020

Fully compliant with Victorian
Charter of Human Rights and
Responsibilities Act 2006



POLICY TITLE FRAUD CONTROL POLICY

POLICY NUMBER POL/CORP226

PURPOSE

This policy requires the organisation to identify procedures and programs to protect Council's assets, integrity and security in order to maintain a high level of service to, and reputation with, the community.

Council is committed to protecting its revenue, expenditure and assets from any attempt by members of the public, contractors, agents, intermediaries, volunteers, Councillors or its own employees to gain financial or other benefits by deceit, bias or dishonest conduct.

SCOPE

This policy applies to all contractors, Councillors, committee members, volunteers and employees of Council and should be read in conjunction with Council's Codes of Conduct.

DEFINITIONS

Fraud is defined as a dishonest activity causing actual or potential financial loss to any person or entity including theft of money or other property by employees or persons external to the entity and whether or not 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.
Standards Australia 2008, Fraud and Corruption Control (AS 8001-2008)

Gift is defined as any item or service which could be perceived to influence decision-making.

Reasonable grounds for suspicion means there is a real possibility of corrupt conduct. Suspicion is something less than belief, but requires more than idle speculation. It must be based on facts and circumstances that would be sufficient to make a reasonable person suspect corrupt conduct had occurred or was occurring. However, proof is not necessary, nor is it required that an individual or individuals be identified.

POLICY

Council will:

- Promote and guide Council's commitment to protecting itself against any form of fraudulent behaviour which could lead to a financial or property loss, or loss of public confidence.
- Establish control measures to prevent, detect, investigate and manage fraudulent activity or suspected fraudulent activity.
- Create and promote a culture of strong and consistent ethical organisational behaviour which effectively reduces Council's fraud risks.
- Provide clear responsibilities at all levels.
- Develop and enforce procedures to:

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- o Prevent, detect and respond to fraud in a systematic and timely manner.
- o Ensure appropriate investigation of all suspected acts of fraud.
- o Protect Council's assets and reputation.
- o Establish a culture of sound ethics and integrity at Council.
- o Support Council's Codes of Conduct.

RESPONSIBILITY

The Chief Executive Officer (CEO) has principal responsibility for ensuring there are adequate controls and structures in place to ensure compliance with the Policy.

The CEO is subject to mandatory reporting requirements under the Independent *Broad-based Anti-corruption Commission Act 2011* (IBAC). The CEO will report suspected or apparent fraud to the IBAC which he/she believes on reasonable grounds is occurring or has occurred.

The Executive Leadership Team (ELT), Internal Audit and the Audit Committee will support the CEO in identifying, implementing and managing fraud controls.

RELATED POLICIES/DOCUMENTS

Protected Disclosures Directive – DIR/GOV018
Staff Code of Conduct - POL/STAFF100
Attractive Assets Directive - DIR/CORP221
Tendering Directive - DIR/CORP217
Procurement Policy - POL/CORP229
Police Checks – PRO/STAFF 141
Serious Misconduct, Negligence and Fraud Directive – DIR/STAFF123
Recruitment Directive – DIR/STAFF 110
Councillor Code of Conduct

RELATED LEGISLATION

Protected Disclosure Act 2012 (VIC)
Local Government Act 1989 (VIC)
Independent Broad-based Anti-corruption Commission Act 2011
Standards Australia 2008, Fraud and Corruption Control (AS 8001–2008)

Signed: Les McPhee

Mayor

Date: 16/01/2018