Greater Geraldton
a vibrant future

City of Greater Geraldton Council Policy
4.22 FRAUD AND CORRUPTION CONTROL

STRATEGIC THEME

Leading

OBJECTIVES

The purpose of this policy is to demonstrate and communicate the City's commitment to the prevention, deterrence, detection, and investigation of all forms of fraud and corruption.

POLICY STATEMENT

The City is committed to the highest possible standards of openness, probity and accountability in its operations. The City has zero tolerance to fraud or corruption. Suspected fraud or corruption will be reported, investigated and resolved in accordance with this policy and associated Fraud and Corruption Control Plan.

The prevention and detection of fraud and corruption is a collective responsibility of all persons engaged, or closely associated, with the City, in any capacity.

This policy applies to all City employees, contractors, volunteers, elected members, and elected and non-elected committee members, and third parties such as consultants, contractors, and suppliers. The City requires all parties to report suspected fraudulent or corrupt activity.

POLICY DETAILS

1. Fraud and Corruption Control Framework

1.1. Appetite

1.1.1. Pursuant to Council Policy 4.7 Risk Management, the City will not tolerate fraud and/or corrupt conduct.

1.2. Organisational Structure

1.2.1. The City's organisational structure provides clearly defined responsibilities and appropriate segregation of duties and controls within systems, particularly financial and procurement, that inhibits opportunities for fraud to occur. The zero-tolerance approach is set by Council and passed through the organisation and community by Chief Executive Officer and Executive Management Team.

1.2.2. The structure includes a commitment to an independent internal audit function and a proactive Audit, Risk and Improvement Committee (ARIC). ARIC receives reports from the Chief Executive Officer on the appropriateness and effectiveness of systems and procedures in relation to risk management, internal control, and legislative compliance.

1.2.3. The Council maintains appropriate resources to implement fraud and corruption prevention, detection, and response strategies pursuant to the Fraud and Corruption Control Plan.

1.2.4. The CEO is required to notify the Public Sector Commission of suspected minor fraud or corruption, or the Corruption and Crime Commission if serious fraud or corruption is suspected.

1.2.5. The City shall maintain a fidelity guarantee insurance policy that provides insurance against the risk of loss arising from internal fraudulent conduct.

1.3. Policies and Procedures

1.3.1. Elected members lead an ethical organisational culture through compliance with the *Local Government (Model Code of Conduct) Regulations 2021* and adopting the City's Code of Conduct for Council Members, Committee Members and Candidates.

1.3.2. Employees covered by the Employee Code of Conduct are expected to comply with its requirements, not engage in any fraudulent, corrupt, or illegal behaviour, and report any information about actual or potential fraudulent, corrupt or illegal activities.

1.3.3. The City expects goods and service providers and contractors to adhere to the City's Code of Business Ethics with any dealings with the City and its staff.

1.4. Reporting and Responding

1.4.1. The City maintains multiple avenues for reporting suspected acts of fraud and corruption and protects those who report suspected acts consistently with the requirements of the Public Interest Disclosure Act 2003.

1.4.2. Any person may make an appropriate disclosure of public interest information to the City which can be made anonymously.

1.4.3. The City handles investigations with confidentiality pursuant to the Fraud and Corruption Control Plan.

1.4.4. The City will reasonably seek to recover losses suffered through acts of fraud and corruption.

1.5. Fraud and Corruption Control Plan

1.5.1. The City's adopted Fraud and Corruption Plan is compliant with Australian Fraud and Corruption Standard AS8001:2021 Fraud and Corruption Control and is reviewed biennially.

KEY TERM DEFINITIONS

Corruption – defined by Australian Standard AS8001-2021 as "Dishonest activity in which a person associated with an organisation acts contrary to the interest of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation."

Fraud – defined by Australian Standard AS8001-2001 as "Dishonest activity causing actual or potential gain or loss to any person or organisation including theft of money 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."

Minor misconduct – defined by section 4(d) of the Corruption, Crime and Misconduct Act 2003 (WA) occurs if a public officer engages in conduct that:

a) adversely affects, or could adversely affect, directly or indirectly, the honest or impartial performance of the functions of a public authority or public officer, whether the public officer was acting in their public officer capacity at the time of engaging in the conduct; or
b) constitutes or involves the performance of his or her functions in a manner that is not honest or impartial; or

c) involves the misuse of information or material that the public officer has acquired in connection with his or her functions as a public officer, whether the misuse is for the benefit of the public officer or the benefit or detriment of another person.

Serious misconduct – as defined by the *Corruption, Crime and Misconduct Act 2003 (WA)* is when a public officer:

a) acts corruptly or corruptly fails to act in the course of their duties; or
b) corruptly takes advantage of their position for the benefit or detriment of any person; or
c) commits an offence which carries a penalty of two or more years imprisonment.

Public interest information – as defined by the *Public Disclosure Act 2003*, means information that tends to show, in relation to its public function, a public authority, a public officer, or a public sector contractor is, has been, or proposes to be, involved in:

a) improper conduct; or
b) an act or omission that constitutes an offence under a written law; or
c) substantial unauthorised or irregular use of, or substantial management of, public resources; or
d) an act done or omission that involves a substantial and specific risk of:
    i. injury to public health; or
    ii. prejudice to public safety; or
    iii. harm to the environment; or
    iv. a matter of administration that can be investigated under section 14 of the *Parliamentary Commissioner Act 1971*.

Zero tolerance approach means that any allegation, suspicion or incidence of fraudulent, corrupt and/or misconduct behaviours are unacceptable, will not be ignored, and will be investigated.

ROLES AND RESPONSIBILITIES

The Chief Financial Officer and Manager Corporate Compliance are responsible for reviewing this Policy.

The Director Corporate Services is the Executive Sponsor for the associated Control Plan.

WORKPLACE INFORMATION

Local Government Act 1995
Local Government (Model Code of Conduct) Regulations 2021
Public Interest Disclosure Act 2003
Corruption, Crime and Misconduct Act 2003
Australian Standard AS 8001-2021 Fraud and Corruption Control
City of Greater Geraldton Fraud and Corruption Control Plan
Code of Conduct – Council Members, Committee Members and Candidates
Code of Conduct – Employees
Risk Management Policy and Framework

POLICY ADMINISTRATION

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<tr><th colspan="2">Directorate</th><th>Officer</th><th>Review Cycle</th><th>Next Due</th></tr>
<tr><td colspan="2">Corporate Services</td><td>Chief Financial Officer and Manager Corporate Compliance</td><td>Biennial</td><td>2028</td></tr>
<tr><th>Version</th><th>Decision Reference</th><th colspan="3">Synopsis</th></tr>
<tr><td>5.</td><td>CSXXX Date</td><td colspan="3">Policy Review</td></tr>
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