City of Greater Geraldton a vibrant future

COUNCIL POLICY COMPARISON TABLE

CURRENT POLICY CONTENT	PROPOSED CONTENT	CHANGE NOTES
STRATEGIC THEME Leading	**STRATEGIC THEME** Leading	
OBJECTIVES The purpose of this policy is to demonstrate and communicate the Council's commitment to the prevention, deterrence, detection and investigation of all forms of fraud and to establish guidelines for the writing off of debts and waiving of fees and charges.	**OBJECTIVE** 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.	This Policy had previously included "Write-Off Debts, Waive Fees and Charges". City Officers recommend, based on audit improvement recommendations, that a standalone Fraud and Corruption Control Policy is endorsed by Council.
POLICY STATEMENT This policy applies to all City employees, contractors, volunteers, elected members, and elected members.	**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.	Includes a high-level standalone statement showing the City's commitment to fraud and corruption control. Broadens the applicability of the policy and clarifies responsibilities.
POLICY DETAILS 1. Fraud Control As fraud constitutes a significant risk to any organisation, it is appropriate that a culture of ethical conduct be developed to recognise and avoid fraud and to deal appropriately with any cases of fraud. Fraud can lead to financial loss, bad publicity for the City and loss of public confidence in the way that public money and other resources are being used. It is therefore important that the City has robust systems and procedures in place to ensure that the risk of impropriety is minimised, as far as possible, that there is a process in place to enable fraud to be adequately reported and that where instances of fraud do occur, there is a prompt and effective response to them. 1.1. Fraud 1.1.1. Fraud is defined as "wrongful or criminal deception intended to result in financial or personal gain". Fraud is a deliberate act by an individual or group of individuals and is therefore always intentional and dishonest. 1.1.2. Internal fraud refers to fraudulent acts undertaken by Councillors and employees. Examples of such fraud would include: falsification of expenses and wages claims, theft of cash and alteration of records to conceal the deficiency, falsification of invoices for payment, failure to account for monies collected, falsification of timesheets and time cards, dealing inappropriately with benefits claims of friends or relatives. 1.1.3. It is also worth noting that there may, in some instances, be potential for those in positions of trust within the City to perpetrate frauds against third parties. The City has the responsibility for the integrity of staff employed in such positions of trust.	**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	A lot of the information has been removed as it is included in the revised Fraud and Corruption Control Plan. The information is outlined in greater detail in the Plan. The Policy maintains the most important principles of fraud and corruption control and sets the framework by which the City prevents and detects fraud and corruption.

1.1.4. External fraud is defined as fraud committed against the City by persons outside of the organisation. Examples include false statements in applications for City programs and applications for grants or false invoices for goods or services.

1.1.5. Fraud and other similar irregularities includes, but is not limited to:

- Forgery or alteration of cheques, invoices, computer records and other documents;
- Any misappropriation of funds, securities, supplies or any other asset;
- Any irregularity in the handling or reporting of money transactions;
- Misappropriation of furniture, fixtures and equipment;
- Seeking or accepting anything of material value from vendors, consultants or contractors doing business with the City;
- Unauthorised use or misuse of City property, equipment, materials or records;
- Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of Council owned software;
- Any claim for reimbursement of expenses that are not made for the exclusive benefit of City;
- The intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain;
- Providing false or misleading information related to financial interests and disclosure statements;
- Any similar or related irregularity.

1.2. Roles and Responsibilities

1.2.1. Councillors

Councillors have a duty to ensure that City assets are safeguarded from fraud and abuse and to ensure that Council's powers, duties and responsibilities are exercised in an open, fair and proper manner to the highest standards of probity.

These issues need to be borne in mind when considering reports, making decisions and scrutinising Council's activities.

Councillors should endorse and support all policies and measures taken to prevent, deter, detect and resolve instances, or suspected instances, of fraud throughout the City.

1.2.2. Chief Executive Officer

The Chief Executive Officer has primary responsibility for the proper management of the City's resources and the development and implementation of systems and practices to minimise the risk of fraud.

The Chief Executive Officer, under the *Corruption, Crime and Misconduct Act 2003* must notify the Corruption and Crime Commission or the Public Sector commission if misconduct is suspected.

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.

1.2.3. Leadership Team (Executive Management Team, Managers and Coordinators/Supervisors) The Leadership Team is responsible for implementing fraud control initiatives and in particular: • Provide leadership, guidance, training and support to employees in preventing fraud and corruption; • Identify high fraud risk areas; • Participate in fraud and corruption risk assessment reviews which are presented to the Audit Committee to assess and provide assurance that the entity has appropriate processes and systems in place; • Monitor the continued operation of controls; • Conducting or coordinating investigations into allegations of fraud; • Complying with legislation and City policies and practices; • Ensuring staff understand their responsibilities through adequate communication, supervision, written procedures and job descriptions; • Responding positively to matters raised and advice given by internal and external audit. Management need to be vigilant in guarding against fraud, be aware of any circumstances which may indicate that there may be a problem and report any such suspicions to the Directors or Chief Executive Officer for an independent investigation or advice. In carrying out their responsibilities, all managers (and staff) should be conscious of the fact that they are spending public money collected through rates and taxes. This provides an extra responsibility not only to spend it economically and effectively but also fairly. 1.2.4. Staff Staff are responsible for acting with honesty and integrity in all council activities and must: • Not use their position with the Council to gain personal advantage or to confer undue advantage, or disadvantage, on any other person or entity. • Safeguard Council assets against theft, waste or improper use. • Understand what behaviour constitutes fraud and/ or corruption. • Familiarise themselves with and adhere to Council's policies and procedures. Staff have a duty to make management aware of any concerns they have about the conduct of the City's affairs or the use of City assets and resources. Any matters raised by them should be taken seriously and properly investigated. Staff who suspect that fraud has occurred should advise their Line Supervisor, Manager or Director as soon as possible. The City has prepared Operating Procedures following the introduction of the Public Interest Disclosure Act 2003 which protects "whistleblowers" from unjust recrimination where they have an honest and reasonable suspicion of malpractice and they act on it. The City, in the interests of probity and good local government, encourages staff to raise matters so that they can be properly investigated.		

1.2.5. Internal and External Auditors

1.2.5.1. Internal Audit

Internal Audit has an important role in assisting management in the prevention and detection of fraud by:

- Independently reviewing systems, procedures and controls to ensure that there are adequate safeguards to prevent, deter and detect fraud with particular attention being paid to the review of contracts and computer systems where there is potentially a significant risk;
- Through specific audits and testing of systems, identifying areas of concern;
- Responding to requests for advice from managers on controls to put in systems;
- Independently investigating suspected frauds and irregularities and reporting conclusions to the Audit Committee, management and, where necessary, the Police;
- Producing, and advising on the production, of rules, regulations and policies, which deter fraud.

1.2.5.2. External Audit

External Auditors certify that the City's accounts represent a true and fair view of the City's financial position. In reaching this conclusion, they must satisfy themselves that control systems are sound andthat measures are being taken to minimise the chances of fraud.

1.3. Induction Process

The elements of fraud and the responsibility of all staff to not participate in and report fraudulent activity will form part of Council's induction process.

1.4. Development of Fraud Control Plan

Council shall examine its exposure to fraud biennially and shall develop a fraud control plan which will be implemented over the following two years.

1.5. Response to Allegations and Concerns

1.5.1. Allegations and concerns about fraudulent or corrupt activity may come from different sources e.g.

- Members of the public, sometimes anonymously
- Other local authorities
- Councillors
- Council managers or staff
- Internal or external audit reviews

1.5.2. Allegations and concerns about fraudulent activity can be reported to the Chief Executive Officer, Directors, Managers and Line Supervisors and those persons making and/ or raising allegations and concerns must be either willing to put this in writing and/ or have supported evidence to avoid those persons who maliciously and knowingly create a false allegation.

1.5.3. Wherever these concerns come from they must treated seriously and confidentiality will be respected as far as possible. A thorough investigation will be made of all concerns but the level of resources applied to this will be dependent on the nature of the concern e.g. sums or resources involved, sensitivity of the area, source of concern,

evidence provided or available, risk inherent in that area. 1.5.4. For cases of internal fraud, investigations should be closely managed and documented in accordance with City procedures. 1.5.5. At all times confidentiality must be maintained and information disclosed only to those who need to know it, in order not to prejudice any disciplinary or criminal action. 1.6. Actions to be taken when Fraud is Uncovered or Suspected 1.6.1. Investigations into suspected fraudulent activity will be comprehensive and will be based on the principles of independence, objectivity and the rules of natural justice. 1.6.2. Investigations will be conducted by an appropriately skilled and experienced person who is independent of the area in which the alleged fraudulent conduct occurred. 1.6.3. Where there is sufficient evidence of fraud, or there is strong suspicion but internal investigations are unable to obtain further evidence required, the Police should be involved where it is considered in the "Council or public interest". 1.6.4. Determination of the "Council or public interest" will include factors such as the sums or resources involved, the strength of the evidence obtained or available, the potential cost to the Council of pursuing the matter, the sensitivity of the area concerned. Referral to the Police will be the normal course of action unless there is a strong case not to do so. 1.6.5. Where involvement of the Police is not appropriate, the strongest action possible should be taken. This may involve disciplinary action including dismissal and the recovery of any sums of money or resources misappropriated. 1.6.6. At the conclusion of any fraud investigation, systems and procedures will be reviewed and any remedial actions implemented, whether or not there was sufficient evidence to prove any wrongdoing. 1.6.7. Any remedial actions identified from this process shall be recorded in the City's Risk Register and allocated to the relevant manager through his/ her Risk Plan. 1.6.8. Monitoring of remedial actions will be undertaken by the City's Internal Auditors on an annual basis. 1.6.9. A fraud, integrity and conduct register will be maintained by the Manager Corporate Services. 1.7. Training Biennial training will be given to all staff in the principles of fraud, the reporting of fraud and the process involved in investigating suspected fraud. 1.8. Insurance The City shall maintain a fidelity guarantee insurance policy that provides insurance against the risk of loss arising from internal fraudulent conduct.		
KEY TERM DEFINITIONS Click or tap here to enter text.	**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	Definitions added

	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) constitutes or involves a breach of trust placed in the public officer because of his or her office or employment as a public officer; or d) 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 is responsible for implementing and maintaining this Policy.	**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.	Manager Corporate Compliance has been added as a responsible officer due to involved in fraud and corruption control.

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WORKPLACE INFORMATION
Statutory Compliance
Local Government Act 1995
Local Government (Rules of Conduct) Regulations 2007
Public Interest Disclosure Act 2003
Corruption, Crime and Misconduct Act 2003
Industry Compliance
Australian Standard AS 8001-2008 Fraud and Corruption Control
AS 8003 – 2003 Good Governance Principals
Organisational Compliance
Codes of Conduct (Employees and Councillors)
Public Interest Disclosure Policy
Risk Management Policy
Related Party Disclosures Policy
Delegated Authority Council to CEO
Delegated Authority CEO to Employees
Strategic Community Plan – 4.2 Decision making is ethical, informed and inclusive
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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
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<td>Addition of Model Code of Conduct Regulations.</td>
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POLICY ADMINISTRATION
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<tr><td colspan="2">Corporate Services</td><td>Chief Financial Officer</td><td>Biennial</td><td>2024</td></tr>
<tr><th>Version</th><th>Decision Reference</th><th colspan="3">Synopsis</th></tr>
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