



FRAUD & CORRUPTION CONTROL POLICY

POLICY TYPE	DOCUMENT CONTROLLER	RESPONSIBLE MANAGER	POLICY ADOPTED	REVIEW DUE
Council	Finance Manager	Deputy General Manager	25 September 2023	September 2025
PURPOSE	To demonstrate Council's commitment to the prevention, detection, reporting and response to any fraudulent activity.			
SCOPE	<p>This policy summarises the responsibilities and expected behaviours of Councillors, employees, volunteers, work experience students, contractors, labour hire staff and all other associated external parties of the Devonport City Council in relation to fraud and corruption prevention.</p> <p>Devonport City Council has a zero tolerance of fraud and corruption. Fraudulent or corrupt behaviour of any kind, including activities that are to the benefit of Council or are advantageous to Council, will not be tolerated. Individuals must, at all times, conduct themselves in a manner consistent with the law and Devonport City Council regulations, policies and procedures.</p>			
DEFINITIONS	<p>For the purposes of this policy, the following definitions will apply:</p> <p>Fraud - Australian Standard 8001-2008 Fraud and Corruption Control defines fraud as:</p> <p><i>"dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where 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 for personal financial benefit. The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered 'fraud' for the purposes of this Standard".</i></p> <p>Corruption - Australian Standard 8001-2008 Fraud and Corruption Control defines corruption as:</p> <p><i>"dishonest activity in which a director, executive, manager, employee or contractor for an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity. The concept of 'corruption' within this standard can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly."</i></p>			

<p>POLICY</p>	<p>1. Responsibilities The General Manager has primary responsibility for ensuring this Policy is complied with. The General Manager may appoint a dedicated Fraud Control Officer to assist in this responsibility.</p> <p>1.1. Elected Members Elected members shall be aware of and comply with this Policy. the provisions of the <i>Local Government Act 1993</i> and the Code of Conduct. Council will support policies and measures taken to prevent, detect and resolve suspected instances of fraud.</p> <p>1.2. Audit Panel The role of the Audit Panel is to assist Council in providing a transparent and independent process in its financial and risk management practices to ensure accountability to the community in the governance, management and allocation of resources. The Audit Panel will review the risk management framework and ensure that procedures exist for the effective identification and management of Council's financial, governance, business and environmental risks, including fraud and corruption.</p> <p>1.3 Executive Leadership Team The Executive Leadership Team is responsible for ensuring there are adequate controls to provide reasonable assurance for the prevention and detection of fraud which will be achieved through:</p> <ul style="list-style-type: none"> • Compliance with Council policies and plans • Fostering a high standard of ethical behaviour throughout the organisation • Ensuring Councillors are aware of their obligations as included in Council's Code of Conduct for Councillors • Ensuring staff are aware of their responsibilities through adequate induction, training, supervision and written policies and procedures • Responding to issues raised by both the External Auditors and the Audit Panel. <p>1.4 Senior Management Senior Management and any other person supervising employees or contractors carry a shared responsibility and accountability to actively support and implement the Policy and Plan. Detailed responsibilities are included in the Fraud and Corruption Control Plan.</p> <p>1.5 Employee/Contractor/Volunteer/Other Employees and others engaged to work for Council have a</p>
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responsibility to demonstrate fairness, integrity and sound professional and ethical practice at all times in every aspect of their engagement.

Employees have a responsibility to understand and comply with Council's Code of Conduct and related policies and procedures.

Council employees are encouraged to report all incidents of suspected fraudulent or corrupt conduct, serious mismanagement or substantial waste of public resources.

1.6 Fraud Control Officer

The Fraud Control Officer has responsibility for the development and review of Council's Fraud and Corruption Control Plan and ensuring that the Plan requirements are implemented and functioning at Council.

2. Prevention

The most effective way to prevent the occurrence of fraud and corruption is to promote an ethical environment fully supported and demonstrated by management and in which strong and effective internal controls have been implemented. Council's fraud and corruption prevention strategies include the following elements:

- Maintenance and communication of a Code of Conduct for Councillors and staff;
- Training in relation to fraud awareness and prevention for staff and managers;
- Maintenance of an effective internal control system and internal control culture;
- Development of a fraud risk assessment process;
- Assessing and documenting fraud risk as part of the Risk Register;
- Employment screening;
- Robust IT security policies and processes;
- Effective policies relating to the use of Council assets;
- Appropriate Human Resource policies dealing with annual leave, secondary employment and conflict of interest; and
- Appropriate purchasing policies and practices.

The Fraud & Corruption Control Plan provides management with more detailed information in relation to prevention and detection of fraud and corruption.

3. Detection & Reporting

Council has established internal controls and systems that enable contemporary and post-transaction review and monitoring to identify suspicious transactions and/or instances of fraud and corruption. The monthly reporting process involves reconciliations and review and analysis of financial data by multiple levels of

management.

The Fraud Control Officer (FCO) will be responsible for developing systems to investigate and detect fraud and corruption. The FCO will work with management and internal audit in applying the findings from the fraud and corruption risk assessment process to formulate effective fraud and corruption detection systems and procedures.

3.1. Reporting

3.1.1 Where to report

Disclosures of improper conduct or detrimental action by a member, officer or employee of Council may be made to the following officers:

- the General Manager – who is the “Principal Officer” of the public body, within the terms of *Public Interest Disclosures Act 2002*
- a Public Interest Disclosure Officer.

The Principal Officer has delegated the Executive Coordinator and the Governance Officer to act as Public Interest Disclosure Officers. This delegation enables the officer to receive public interest disclosures under the *Act*.

Furthermore, an employee may report action to the Ombudsman or Integrity Commission. Contact details for these organisations are listed in the Devonport City Council Public Interest Disclosure Act Model Procedures and Whistleblower Policy, located on the Council website.

Suspicious should be reported only to those people who are required to know. This protects people from allegations that may not be proven and prevents the possible destruction of evidence.

3.1.2 Protected disclosures

If suspected fraudulent or corrupt conduct is reported through the appropriate channels, as set out above, the reporter will be protected from detrimental action by legislation. Information received as a protected disclosure is strictly confidential and includes the:

- identity of the person making the disclosure
- nature of the disclosure
- identity of the person or persons against whom the disclosure has been made.

Consequently, employees wishing to report fraud are encouraged NOT to make anonymous complaints.

Section 60 of the Public Interest Disclosures Act 2002 requires Council to establish written procedures to facilitate the making of disclosures for investigations of disclosed matters, and for the protection of persons from reprisals for making the disclosure. These procedures establish a system for reporting disclosure of improper conduct or detrimental action by Devonport City Council or its employees. The procedures must comply with the Act and Guidelines prepared by the Ombudsman's Office.

Council must receive and assess disclosures about improper conduct in accordance with the Act, investigate disclosed matters and take appropriate action when improper conduct has been found to have occurred.

4. Response

4.1. Investigating fraud

All allegations or suspicions of internal or external fraud or corruption raised must be reported to the General Manager or delegate immediately.

The Fraud Control Officer will conduct preliminary investigations into reports of fraud and corruption, for the purpose of deciding further action.

No attempt should be made by any other employee to conduct any formal investigations or interviews in order to determine if fraudulent and/or corrupt behaviour has occurred or is suspected.

Investigations into alleged fraud will be conducted according to natural justice principles, which mean people subject to the allegations:

- are presumed to be innocent until proven guilty;
- have a right to respond to allegations; and
- have a right to be represented during any formal disciplinary proceedings.

Council's Public Interest Disclosure Officers or Human Resources team will ensure investigations into allegations of suspected fraud that concern Council staff are undertaken confidentially and carried out within the prescribed framework. External assistance may be required for the purpose of the investigation.

4.2. Internal reporting and escalation of issues

Council's Fraud Control Officer will maintain a fraud and corruption incident register which will include information in

	<p>relation to all reportable fraud and corruption incidents.</p> <p>The FCO will regularly present the register to the Executive Leadership Team.</p> <p>The General Manager will report fraud and corruption events to Council or to the appropriate Council Committee and the Audit Panel.</p> <p>4.3. External notifications The General Manager may report suspected fraud to the Police when sufficient information has been obtained to confirm the likelihood of fraud.</p> <p>4.4. Disciplinary action At the conclusion of an investigation, if it is found an individual is guilty of fraudulent activity, appropriate action will be taken in accordance with Council's Disciplinary Procedure.</p> <p>4.5. Civil proceedings to recover the proceeds of fraud or corruption Recovery actions will be undertaken at the discretion of the General Manager. The General Manager will make a notification to the Council in relation to the action to be undertaken.</p> <p>4.6. Internal control review Following an investigation where fraud is substantiated, the General Manager and/or Fraud Control Officer will conduct a review of the relevant controls and determine the level of corrective action to be undertaken.</p> <p>4.7. Maintaining and monitoring adequacy of insurance Insurance will be obtained and maintained to safeguard against loss and ensure continuation of business processes. Adequacy of insurance policies is to be assessed by management at least annually.</p>
LEGISLATION AND RELATED DOCUMENTS	<p>Fraud & Corruption Control Plan</p> <p>Staff Code of Conduct Policy</p> <p>Model Code of Conduct Policy</p> <p>Cash Handling Policy</p> <p>Credit Card Policy</p> <p>Gifts and Donations Policy</p> <p>Induction Policy</p> <p>Secondary Employment Policy</p> <p>Travel & Accommodation Policy</p> <p>Code for Tenders & Contracts</p> <p>Purchasing Policy</p> <p>Australian Standard 8001-2008 Fraud and Corruption Control</p> <p>Risk Management Framework</p> <p>Disciplinary Procedure</p> <p><i>Public Interest Disclosures Act 2002</i></p> <p>Public Interest Disclosures Procedure</p> <p>Whistleblower Policy</p>

	Devonport City Council Strategic Plan 2009-2030		
ATTACHMENTS (IF APPLICABLE)	Nil		
STRATEGIC REFERENCE	5.3 Council looks to employ best practice governance, risk and financial management		
MINUTE REFERENCE	23/189		
OFFICE USE ONLY	Update Register Y	Training/Communication	Y
	Advise Document Controller Y	Advise HR / MCO	Y
	Management Sign Off:  Date: 25 September 2023		