

# Council Policy

Title	Fraud Protection Policy		P25
Type	Council Policy		
Document Owner	Director Corporate Services		
Approval Date	25 July 2019	Review Date	25 July 2022
MaGiQ Document ID	296664	Council Resolution Number	OC079/2019

## PURPOSE

The purpose of this Policy is to clearly define Council's commitment to preventing fraud and corruption, and to outline the methodology in place to minimise fraud and corruption threats. The objective of the policy is:

- To ensure that management is aware of its responsibilities for identifying exposures to fraudulent activities and for establishing controls and procedures for preventing such fraudulent activity and/or detecting such fraudulent activity when it occurs.
- To provide guidance to employees as to action which should be taken where they suspect any fraudulent activity.
- To provide a clear statement to staff forbidding any illegal activity, including fraud for the benefit of the Council.
- To provide clear guidance as to responsibilities for conducting investigations into fraudulent activities.
- To provide assurances that any and all suspected fraudulent activity will be fully investigated.

## SCOPE

This policy relates to all elected members, employees, contractors, volunteers and consultants undertaking work for, or on behalf of the Council irrespective of position or length of service.

## DEFINITION AND TERMS

**Fraud:** means the willful misuse of Council's resources or using one's position and power for personal gain.

A basic test for fraud could include the following questions:

- Was benefit gained through deceit?
- Was the action illegal?
- Did the action result in money or other benefits being received by a person to which he or she was not entitled?
- Was there a deliberate attempt to gain benefit from an action to which that person was not entitled?

**Theft:** means being the dishonest appropriation of the Council's property with intent to deprive the Council of it permanently.

**Corruption:** means the use of bribery, fraud or the irregular alteration and or distortion of records to conceal and/or misappropriate assets of the Council.

**Whistle blowing:** means action by an employee to disclose malpractice in the form of irregularity, wrongdoing or serious failures of standards at work.

# Council Policy

---

## LEGISLATION AND REFERENCE

- *Local Government Act*
- *Local Government (Accounting) Regulations*
- *Australian Accounting Standards*
- Code of Conduct

## POLICY STATEMENT

Council is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency, which are all key components of good governance.

The Council will not tolerate fraud by its clients, employees or elected members of the Council. All allegations of fraud will be investigated and where substantiated the cases will be pursued thoroughly.

Elected members and employees must adopt the highest ethical standards when carrying out their duties and functions.

All elected members and employees will be made aware of their responsibilities under relevant legislation and Council policies through training, induction and information sessions.

## RISK MINIMISATION

The Council has a number of controls, policies and procedures in place for the prevention, detection, management and reporting of fraud which address or include the following topics/documents:

- Code of Conduct for Elected Members and Staff
- Human Resources Policies and Procedures
- Internal Financial Policies and Procedures Manual
- Tendering and Procurement Policy and Procedures
- CouncilBiz Information Technology Usage Protocols
- Local Government Act
- Local Government (Accounting) Regulations

The policies and procedures have review dates to ensure they are current and relevant. The council will continually monitor its risk minimisation strategies and make improvements where necessary.

## INVESTIGATION

The overall responsibility for the investigation of suspected fraud rests with the Chief Executive Officer. If the matter involves the Chief Executive Officer the investigation will be managed by the Shire President.

It is a requirement that all elected members and employees report any suspected fraud and assist with any investigation when required.

## THE REPORTING PROCEDURE

1. Suspected or known fraudulent acts by employees shall be reported to their respective supervisor or the Chief Executive Officer. If the employee has reason to believe that their Supervisor may be involved, the employee shall notify the Chief Executive Officer.
2. Supervisors shall communicate any suspected or known fraudulent act to the Chief Executive Officer. The Chief Executive Officer may initiate internal investigative actions of the suspected act.
3. Supervisors shall:

# Council Policy

---

- take no action without consulting the Chief Executive Officer,
  - recommend an appropriate temporary disciplinary action when there is evidence of wrong-doing, and if suspension or termination is recommended, consult with the Human Resources Department.
4. All participants in a fraud investigation shall keep the details and results of the investigation confidential.
  5. No person acting on behalf of the Council shall dismiss or threaten to dismiss an employee; discipline or suspend or threaten to discipline or suspend an employee, impose any penalty upon an employee; or intimidate or coerce an employee because the employee has reported suspected fraud. Any violation of this section may result in disciplinary action up to and including termination of employment.

Reports by the public of suspected fraud will be immediately referred to the Chief Executive Officer.

## PROTECTION OF WHISTLE BLOWERS

1. An employee who suspects or reports suspected dishonest activity or any such activity witnessed may remain anonymous should he/she so require.
2. No person will suffer any penalty or retribution for good faith reporting of any suspected or actual incident of fraud.

## FALSE ALLEGATIONS

False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

## CORRECTIVE ACTIONS AND DISCIPLINE

Appropriate and timely action will be taken against those proven to have committed a fraudulent act. The form of action taken will depend on the level and circumstances of each case. The form of action may include, but not limited to:

1. Disciplinary action (where the Council elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under the enterprise bargaining agreement).
2. Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
3. Forwarding information to the appropriate authorities for criminal prosecution.
4. Institution of civil action to recover losses.

## CONFIDENTIALITY

All investigations will be conducted in confidence in so far as reasonably possible. The name or names of those communicating information about a fraudulent act and the name or names of those suspected of fraudulent act will only be revealed when required by law in conjunction with the investigation or legal action.

## POLICE INVOLVEMENT

The involvement of Police in investigating suspected Fraud will be at the discretion of the Chief Executive Officer. However fraudulent behaviour is a criminal act and maybe subject to legal action under the Criminal Code (NT).

## MEDIA

All media enquiries will be referred to the Chief Executive Officer. At no point is an employee to broadcast or communicate Council business with the media unless sanctioned by the Chief Executive Officer.

# Council Policy

---



two ways :: one outcome

## REVIEW HISTORY

Date	Details
6 October 2010	Adopted by Council
16 September 2015	Updated style and removed reference to Shire. No other changes made. 146/2015
11 July 2019	Addition to definitions, protection of whistleblowers
25 July 2019	Reviewed and Adopted OC079/2019

