

COUNCIL POLICY

# Fraud and Corruption Control

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**DOCUMENT UNCONTROLLED WHEN PRINTED**

Document Control		
Policy number 091	Status Adopted	Approved by Council
Date approved 30 July 2024	Next review date July 2028	
Directorate Customer and Community	Department Corporate	Internal / External External

**REVISION RECORD**

Date	Version	Revision description
06/08/2013	1.0	Adopted by Council
16/08/2018	1.1	Draft review for internal discussion
10/07/2019	1.2	Draft reviewed and rebranded
02/08/2019	1.3	Draft incorporating Director Corporate changes
01/10/2019	2.0	Adopted by Council
29/11/2021	2.1	Review and amendments including: <ul style="list-style-type: none"> <li>rebranding in new format</li> <li>referencing <i>Local Government Act 2020</i></li> <li>updating reference to AS 8001 Fraud and Corruption Control</li> </ul>
14/12/2021	3.0	Adopted by Council
17/07/2024	3.1	Review and amendments include: <ul style="list-style-type: none"> <li>- change to title and directorates</li> <li>- additional lines of recourse</li> <li>- additional definition for PID</li> </ul>
30/07/2024	4.0	Adopted by Council

# 1. Purpose

This policy outlines Council's commitment to the prevention, mitigation, deterrence, detection, and investigation of all forms of fraudulent and corrupt activity.

# 2. Scope

This policy applies to all persons associated with Council.

# 3. Policy details

## 3.1 COMMITMENT

Council has zero tolerance for fraud and corruption and is committed to protecting its reputation and assets from any attempt by persons associated with Council to gain financial or other benefits by deceit or dishonest conduct.

This commitment will be met by:

- Establishing a culture where transparency, accountability and integrity are the norm
- Identifying activities and processes potentially at risk of exposure to fraud and corruption
- Establishing effective operational controls and procedures for the prevention, mitigation, deterrence, and detection of fraudulent or corrupt conduct
- Investigating any fraud or corruption suspected, committed, or attempted against the Council irrespective of the position, length of service or relationship to Council of the alleged perpetrator
- Taking appropriate action against any person involved in fraudulent or corrupt conduct.
- Providing training, awareness and enforcement of policies, procedures, and codes of conduct.

## 3.2 ETHICAL BEHAVIOUR

An anti-fraud and corruption culture is promoted throughout the organisation.

A culture of ethical behaviour, accountability, honesty, and integrity encourages the reporting or disclosure of any suspicion of fraudulent or corrupt activities.

## 3.3 FRAUD AND CORRUPTION RISK MANAGEMENT

Fraud and corruption risk management is integrated with Council's risk management framework and register.

Council's overall vulnerability to fraud and corruption and areas most vulnerable to the risks must be risk assessed, the adequacy and effectiveness of internal controls for managing the risk evaluated and monitored through internal and external audit and compliance monitoring programs.

### 3.4 INTERNAL CONTROLS

Council will develop and maintain:

- Effective internal controls designed to prevent and detect fraud and corruption
- Policies for high risk activities such as procurement, cash handling, credit cards, banking authorisation and management of assets
- Processes to disclose, document and manage conflicts of interest
- Training and awareness programs.

### 3.5 DISCLOSURES AND ALLEGATIONS

Reports and disclosures may be made to:

- Protected Disclosures Coordinator – this function resides in the Customer and Community Directorate. Please refer to the Governance section of the Alpine Shire Council Website for further details on Public Disclosures.
- The CEO, any Director or Manager
- Governance and Risk Coordinator
- HR Coordinator
- Local Government Inspectorate
- Victorian Ombudsman
- Independent Broad-Based Anti-Corruption Commission (IBAC) in accordance with the *Public Interest Disclosures Act 2012* or the *Independent Broad-based Anti-corruption Commission Act 2011*.

Reporting can be completed anonymously.

Public interest disclosures relating to a Councillor may only be made to the Ombudsman or IBAC.

Suspected and actual incidents of fraud and corruption will be investigated.

Investigations will ensure:

- Parties who become aware of or suspect that fraudulent or corrupt activity may be occurring, will not be victimised, or disadvantaged for making allegations
- A fair process for persons against which allegations are made
- All matters concerning the suspicion of fraud are treated with strictest confidence.

### 3.6 AWARENESS

Persons associated with Council will be informed of this policy and the consequences arising from fraudulent or corrupt conduct.

Training will be provided on:

- Council's commitment to fraud and corruption control
- procedures for preventing and reporting fraud and corruption
- how to manage conflicts of interest (including accepting gifts and hospitality)
- appropriate actions when faced with unethical behaviour including making a disclosure.

## 4. Roles and responsibilities

The following positions are responsible for:

Responsibility	Role / Position
Implementation of this policy	<ul style="list-style-type: none"> <li>• CEO</li> <li>• Directors</li> <li>• Managers</li> </ul>
Compliance with this policy	<ul style="list-style-type: none"> <li>• Persons associated with Council</li> </ul>
Development and review of this policy	<ul style="list-style-type: none"> <li>• Manager Corporate</li> </ul>
Interpretation of this policy and provision of advice	<ul style="list-style-type: none"> <li>• CEO</li> <li>• Director Customer and Community</li> <li>• Manager Corporate</li> <li>• Health Safety and Risk Officer</li> </ul>
Investigation of fraud or corruption activities or disclosures	<ul style="list-style-type: none"> <li>• CEO</li> <li>• Directors</li> <li>• Public Interest Disclosure Coordinator</li> <li>•</li> </ul>

## 5. Breaches

Suspected, attempted or actual incidents of fraud or corruption will be investigated, and appropriate action taken including possible dismissal, suspension, reporting of fraudulent or corrupt activity to Independent Broad-based Anti-Corruption Commission (IBAC) or Victoria Police or another regulator, and potential prosecution including recovery of any financial loss suffered by Council.

Disclosures will be managed in accordance with the *Public Interest Disclosures Act 2012* and Council's Public Interests Disclosures Policy No.92

## 6. Human Rights Charter compatibility

This policy has been assessed as being compatible with the *Charter of Human Rights and Responsibilities Act 2006 [Vic]*.

## 7. Gender Impact Assessment

A Gender Impact Assessment was undertaken, and it was deemed to be not applicable to this policy.

## 8. Supporting documents

This policy should be read in conjunction with all other relevant, Council policies and procedures, as well as relevant legislative requirements.

### Related Legislation

- *Crimes Act 1958 [Vic]*
- *Independent Broad-based Anti-corruption Commission (IBAC) Act 2011 [Vic]*
- *Local Government Act 1989 [Vic]*
- *Local Government Act 2020 [Vic]*
- *Privacy and Data Protection Act 2014 [Vic]*
- *Public Interest Disclosures Act 2012*

### Related Guidelines, Operational Directives or Policies

- Employee Code of Conduct
- Councillor Code of Conduct
- Employee Gift Policy No. 65
- Risk Management Policy No.54
- Procurement Policy No.89
- Public Interest Disclosures Policy No.92
- Cash Handling Policy No.94
- Corporate Credit Cards Policy No.95
- Banking Authorisation Policy No.96
- Revenue and Debtor Management Policy No.102
- Employee Expense Reimbursement Policy No.107
- Recruitment, Selection and Appointment Policy No.114
- Fuel Cards Policy No.115
- Councillor Gift Policy No.119

### Australian Standards

- AS 8001:2021 Fraud and Corruption Control, Standards Australia

## 9. Definitions and abbreviations

Term	Meaning
Corruption	<p>Dishonest activity in which a person associated with Council acts contrary to the interests of Council and abuses their position of trust in order to achieve personal gain or advantage for themselves or for another person or entity.</p> <p>Refer also AS 8001:2021</p>
Corrupt Conduct	<p>Conduct that:</p> <ul style="list-style-type: none"> <li>• Adversely affects honest performance of functions</li> <li>• Involves dishonest performance of functions</li> <li>• Involves knowingly or recklessly breaching public trust</li> <li>• Involves misuse of information or material acquired while performing functions</li> <li>• Is intended to adversely affect the performance or exercise of functions and powers of Council or an employee.</li> <li>• Could constitute a conspiracy or attempt to engage in any of the above conduct.</li> </ul> <p>Ref: <i>Independent Broad-based Anti-corruption Commission Act 2011</i></p>
Fraud	<p>Dishonest activity causing actual or potential gain or loss to any person or entity including theft of moneys or other property by persons internal or external to Council and/or where deception is used at the time, immediately before or immediately following the activity.</p> <p>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.</p> <p>Refer also AS 8001:2021</p>
Person associated with Council	<p>Persons undertaking functions or exercising powers on behalf of Council and includes councillors, Chief Executive Officer, directors, managers, employees, volunteers, and contractors</p>



Term	Meaning
Public Interest Disclosure	<p>Personal Interest Disclosures are reports about:</p> <ol style="list-style-type: none"> <li>a. Improper conduct of Council or Council representatives (such as corrupt conduct)</li> <li>b. Detrimental action that Council or a Council representative has taken against a person in reprisal for them (or another person) having made a public interest disclosure or cooperated with the investigation of a public interest disclosure.</li> </ol> <p>A disclosure can relate to conduct or action that:</p> <ol style="list-style-type: none"> <li>a. May have already taken place</li> <li>b. May be occurring now</li> <li>c. May happen in the future</li> </ol> <p>A disclosure can be made by an individual or group of individuals and can be anonymous.</p> <p>A company or business cannot make a disclosure - but its officers or representatives can.</p> <p>The function of Public Disclosure Coordinator reside within the Customer and Community Directorate – further information on Public Disclosures can be found in the Governance section of the Alpine Shire Council website</p>

## 10. Approval

THE COMMON SEAL OF THE ALPINE SHIRE COUNCIL was hereunto affixed this 30<sup>th</sup> day of July 2024 in the presence of:



SARAH NICHOLAS  
COUNCILLOR

Version 4 of the Fraud and Corruption Control Policy was signed and sealed at the Ordinary Council Meeting held on 30 July 2024.

Simon KELLEY  
COUNCILLOR

The original hard copy is held in Council's records.

WILL JEREMY  
CHIEF EXECUTIVE OFFICER