

Fraud and Corruption Control Policy	Document No:	SCS-010
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Responsible Officer:	General Manager Governance and Infrastructure	
Authorising Officer:	Chief Executive Officer	

1. Purpose

This policy outlines Surf Coast Shire Council's (Council) commitment to the prevention, detection, investigation and reporting of fraud and corruption.

2. Scope

This policy applies to any irregularity or suspected irregularity of a fraudulent or corrupt nature and meets the requirements set out in Australian Standard AS 8001-2008 Fraud and Corruption Control.

3. Application

This policy applies to Councillors, Council officers, volunteers, members of special committees, contractors and anyone undertaking business with Council.

4. Definitions

Term	Definition
ARC	Audit and Risk Committee
Bribe	The act of paying a secret commission to another individual.
Control	Control is an existing process, policy, device, practice or other action that acts to minimise negative risks or enhance positive opportunities.
Corrupt Conduct	Conduct that would, if proved beyond reasonable doubt at trial, constitute a relevant offence. Relevant offences are Victorian statutory indictable offences or the common law offences of attempt to pervert the course of justice, pervert the course of justice or bribery of a public official.
Corruption	Corruption is dishonest activity where a Councillor, Council staff (employees, volunteers & contractors) or any associated external parties of the Council acts contrary to the interests of the Council and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or entity.
Detrimental Action	Action that is taken in reprisal for making a Protected Disclosure. It includes: <ul style="list-style-type: none"> a) Action causing injury, loss or damage; b) Intimidation or harassment; and c) Discrimination, disadvantage or adverse treatment in relation to a person's employment, careers, profession, trade or business, including the taking of disciplinary action. It is an offence for a person to take a detrimental action against a person in reprisal for making a protected disclosure.
EMT	Executive Management Team
Fraud	Fraud is a dishonest activity causing actual or potential financial loss to any person or entity including theft of monies 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."
GRD	Governance and Risk Department
IBAC	Independent broad-based anti-corruption commission
Improper Conduct	Corrupt conduct or specified conduct that is not corrupt conduct but that if proved would constitute a criminal offence or reasonable grounds for dismissal.

Term	Definition
Investigation	A search for evidence connecting or tending to connect a person – either a natural person or a body corporate –with conduct that infringes the criminal law or the policies and standards set by Council.
Protected Disclosure	The Protected Disclosure Act 2012 provides that a person may confidentially disclose information that shows or tends to show: (a) A person, public officer or public body has engaged, is engaging or proposes to engage in improper conduct; or (b) A public officer or public body has taken, is taking or proposes to take detrimental action against a person.
Specified Conduct	Specified conduct (as defined in the Protected Disclosure Act 2012) that is not corrupt conduct but that, if proved, would constitute a criminal offence or reasonable grounds for dismissal.

5. Policy

Surf Coast Shire Council is committed to providing protections to safeguard its reputation, revenue, expenditure and property on behalf of ratepayers by developing an organisational culture:

- that is professional and responsible;
- supports high ethical standards; and
- encourages an environment where fraud, corruption and bribery will not be tolerated.

Council supports the following overarching principles:

- A commitment to the prevention of fraud, corruption and bribery;
- To identify and evaluate significant areas of risk and implement control measures to minimize the risk of fraud, corruption and bribery occurring;
- To detect, investigate and report instances of fraud, corruption and bribery in a timely and fair manner;
- To provide training to ensure all employees understand their responsibilities in the prevention, detection and reporting of fraud, corruption and bribery; and
- Protect Council's reputation in the community.

Council respects of the rights of individuals, and has a commitment to natural justice, protected disclosures and the Charter of Human Rights. Councillors, Council officers, volunteers, members of special committees, contractors suspected of fraud will be treated fairly and afforded natural justice should an investigation be necessary.

6. Roles and Responsibilities

Council

Council as the body responsible for the good governance of the municipality is responsible for setting the tone for honesty and integrity in the provision of services to the community and the management of the Council's organisation through this policy.

Chief Executive Officer

The Chief Executive has principal responsibility for fraud and corruption control and to ensure staff compliance with this policy and associated standards and guidelines, and to ensure that appropriate governance structures are in place.

The Chief Executive Officer also has a legal obligation to report suspected corrupt conduct by public officers (staff, contractors, unpaid workers and Councillors) to IBAC.

Audit & Risk Committee

Council's Audit & Risk Committee has responsibility to review Council's Fraud and Corruption Control Policy every two years and is appointed by Council to assist in protecting against fraud through promoting and monitoring an ethical culture throughout the Council.

The Audit & Risk Committee also receive a fraud and corruption report including training information twice yearly.

General Managers

General Managers are responsible for exercising due diligence in the prevention and detection and reporting of fraudulent activities. General Managers set an example and advise employees of the acceptability or otherwise of their conduct.

Managers

Managers have general responsibilities to:

- Identify risk exposures of corrupt and fraudulent activities within their business units;
- Develop and implement treatment plans identified in risk assessments to eliminate or reduce the risk of fraud and corrupt conduct;
- Monitor and actively manage excessive outstanding leave of staff in risk exposure areas; and
- Report suspected fraud or corrupt activity.

Employees, Contractors and Volunteers

All employees, contractors and volunteers are expected to support the effective implementation and operation of Surf Coast Shire Council's approach to the management of fraud and corruption control.

All staff are responsible for acting with propriety in all Council activities and not use their position to gain personal advantage or to confer advantage, or disadvantage, on any other person. All staff members are to:

- Understand and comply with the Fraud and Corruption Control Policy and Plan and related procedures;
- Assist their manager in the identification, evaluation and mitigation of fraud risk.

Governance and Protected Disclosures

The General Manager Governance and Infrastructure maintains oversight of the development, facilitation and implementation of the fraud control framework and is the Protected Disclosure Coordinator.

The Manager Governance & Risk is the Protected Disclosure Officer. The roles of the Coordinator and Officer are described in MPP 040 Protected Disclosures.

It is the responsibility of the Protected Disclosure Coordinator to receive reports of suspected instances of fraud/corruption, and for maintaining an appropriate recording and tracking system to ensure that all instances of suspected fraud are satisfactorily resolved.

Fraud reporting is completed annually by the Leadership Group.

Coordinator Risk Management & Legal Services

The Coordinator Risk Management & Legal Services will be responsible for:

- Developing, implementing and reviewing the Fraud and Corruption Control Policy and Plan;
- Providing training to the organisation; and
- Maintaining the risk register.

6. Codes of Conduct and Protected Disclosures

Council's Codes of Conduct establish a minimum standard of behaviour by employees and Councillors at Surf Coast Shire Council. The Codes provide guidance to help employees and Councillors deal with ethical dilemmas they may face in the workplace including the reporting of fraudulent activity and protecting others against detrimental action in the event a fraudulent activity is reported.

Before reporting wrongdoing staff and Councillors are encouraged to:

- Read Council's
 - MPP 040 Protected Disclosures Procedure
 - SCS 010 Fraud and Corruption Policy
- Be informed and discreet.
- Think about whether your complaint will meet the basic threshold of improper conduct or detrimental action.
- Don't tell others in the organisation that you are going to report the wrongdoing.
- If you want your complaint to remain confidential ask for the protections that apply under the Protected Disclosures Act 2012.

More information can be obtained from the Protected Disclosure Coordinator, General Manager Governance and Infrastructure or the Protected Disclosure Officer, Manager Governance & Risk or IBAC on 1300 735 135 or anyone can [make a report securely online](#).

Council's Fraud & Corruption Control Plan provides more detailed information.

7. Records

Records shall be retained for at least the period shown below.

Record	Retention/Disposal Responsibility	Retention Period	Location
Records documenting the identification of major instances of fraud that were resolved internally. Includes activities associated with the disclosure of fraud.	Governance Services	Destroy 15 years after administrative use has concluded.	Hardcopy records to be retained by Council or APROSS pending destruction. Electronic records should be maintained in readable format pending destruction.
Records documenting the identification of minor instances of fraud that were resolved internally. Includes activities associated with the disclosure of fraud.	Governance Services	Destroy 7 years after administrative use has concluded.	Hardcopy records to be retained pending destruction. Electronic records should be maintained in readable format pending destruction.
Records documenting the identification of major instances of fraud that resulted in liaison with external bodies. Includes the report and investigation of fraudulent activities and records documenting liaison with law enforcement authorities.	Governance Services	Destroy 15 years after administrative use has concluded.	Hardcopy records to be retained pending destruction. Electronic records should be maintained in readable format pending destruction.
Records documenting the identification of minor instances of fraud that resulted in liaison with external bodies. Includes the report and investigation of fraudulent activities and records documenting liaison with law enforcement authorities.	Governance Services	Destroy 7 years after administrative use has concluded.	Hardcopy records to be retained pending destruction. Electronic records should be maintained in readable format pending destruction.

COUNCIL POLICY



8. Attachments

N/A

9. References

AS8001-2008 Australian Standard on Fraud and Corruption Control
ISO 31000:2009 Risk management - Principles and guidelines

Local Government Act 1989
Protected Disclosure Act 2012
Crimes Act 1958
Independent Broad Based Anti-Corruption Act 2011
Victorian Ombudsman Investigations Guidelines 2016
Conflict of Interest Guides - DWELP

Fraud and Corruption Control Plan
SCS 002 Councillor Code of Conduct
HR 24 Code of Conduct Policy