



## Fraud & Corruption Prevention Policy

### Aim

The purpose of this policy is to demonstrate Council's commitment to the prevention and detection of, and its response to, any fraudulent or corrupt activity. The policy is an important element of Council's management framework which aims to protect public money and assets as well as the integrity, security and reputation of Council, its staff and the services it provides to the community.

This policy aims to minimise the opportunity for fraudulent and corrupt activity to occur by ensuring all members of the organisation and the wider community understand what it is, that it will not be tolerated and what their legal obligations are in response to it.

### Governance Obligations

- Legal compliance
- Risk management

### Legislation

*Local Government Act 1993 (Tas)*

*Public Interest Disclosures Act 2002 (Tas)*

*Integrity Commission Act 2009 (Tas)*

### Scope

This policy applies to Councillors, Special Committees of Council, Council staff, volunteers, contractors, consultants, suppliers, prospective suppliers and tenderers and anyone else who interacts with Council's operations.

### Definitions

#### Fraud

Fraud is defined in the Australian Standard AS 8001 - 2008 Fraud and Corruption Control as:

*"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."*

In some instances, there can be potential for those in positions of trust within Council to perpetrate fraud against third parties. This will not be tolerated by Council and Council recognises its responsibility for the integrity of staff employed in such positions of trust.

### Corruption

Corruption is defined in the Australian Standard AS 8001 - 2008 Fraud and Corruption Control as:

*“Dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interest 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.”*

Under this Policy, Council specifically extends these definitions of fraud and corruption to dishonest activity by elected members, Council’s special committees and any others included in the scope of this Policy.

### Policy

Council will not tolerate fraud, corruption or any improper conduct by its Councillors or staff, nor any external entities or individuals who interact with Council including volunteers, contractors, consultants, suppliers, tenderers or prospective tenderers and suppliers.

Council is committed to protecting its revenue, expenditure and assets from attempts by any person or entity to gain financial or other benefits by deceit or dishonest conduct.

Council is committed to developing and maintaining an organisational culture that demonstrates the highest standards of integrity and ethical behaviour by its elected members and staff. Under their respective Codes of Conduct and this policy, Councillors and staff are obliged to act with integrity and must not engage in fraudulent or corrupt activity of any kind. This includes activities that may benefit or disadvantage Council.

Council will not tolerate any victimisation, harassment, reprisals or any other adverse repercussions against those who come forward to disclose such conduct.

Council will report all instances of fraud and corruption to Tasmania Police or other relevant agencies and pursue all avenues to recover any losses it incurs through fraud and corruption.

Council will develop, implement and maintain a relevant strategy to achieve the aims of this Policy. Amongst other things, the Fraud and Corruption Prevention Strategy will address:

- governance of fraud and corruption prevention within Council,
- processes to assess the risk of fraud and corruption,
- procedures for preventing, detecting and investigating fraud and corruption,
- processes to protect the reporter (discloser),
- extending principles of natural justice to the alleged perpetrator(s) during any investigation,
- reporting fraudulent and corrupt activities to the appropriate external authority, and ensuring Council maintains adequate insurance for its risk of fraud and corruption.

### Responsibilities

Fraud and corruption prevention and reporting is the responsibility of everyone within Council. However, particular staff have additional and specific responsibilities in relation to this Policy.

**Elected members** are individually responsible for:

- abiding by Council's Code of Conduct and other policies related to ethical standards and preventing fraud and corruption,
- supporting policies and accompanying strategy to prevent, detect and resolve suspected instances of fraud.

**General Manager** is responsible for:

- developing and implementing an effective fraud and corruption prevention strategy,
- appointing and facilitating appropriate training for specific roles identified within the strategy,
- reporting to Council on activity associated with fraud and corruption or the Policy.

**Managers** are responsible for:

- ensuring adequate controls are in place to reduce the risk and opportunity for fraud and corruption to occur,
- complying with Council's policies and procedures,
- fostering a high standard of integrity and ethical behaviour throughout Council,
- ensuring staff are aware of their responsibilities through adequate induction, training, supervision and written policies and procedures,
- participating in fraud and corruption risk assessments and implementing measures to reduce likelihood and consequences of fraud and corruption,
- responding to issues and risks raised by auditors and Council's Audit Panel in a timely manner,
- reporting suspicions of fraudulent or corrupt activity using the relevant procedures.

**Supervisors and team leaders** are responsible for:

- familiarising themselves with the types of fraud and corruption that might occur within their areas of responsibility and report any indications or irregularities,
- participating in fraud and corruption risk assessments and implementing measures to reduce likelihood and consequences of fraud and corruption, and
- reporting suspicions of fraudulent or corrupt activity using the relevant procedures.

**All staff and other people in the workplace** are responsible for:

- identifying areas where opportunities for fraud or corruption could occur and reporting these to their manager,
- participating in fraud and corruption risk assessments and implementing required measures to reduce likelihood and consequences of fraud and corruption,
- reporting suspicions of fraudulent or corrupt activity using the relevant procedures.

### Council's Associated Documents

Fraud and Corruption Prevention Strategy and Work Plan

Councillors Code of Conduct (incorporating disclosing and managing conflicts of interest)

Code of Conduct (Employees and other persons at the workplace)

Related Party Disclosures Policy

Gifts & Benefits Policy

Public Interest Disclosures (Whistleblower) Policy

Personal Information Protection (Privacy) Policy

CyberSecurity Policy

Disciplinary Policy

Code for Tenders and Contracts  
Risk Management Policy and Strategy  
Customer Service Charter  
Council's insurance policies

### Other References

Australian Standard AS8001-2008 *Fraud and Corruption Control*  
PriceWaterhouseCoopers. *Fraud: A guide to its prevention, detection and investigation*. Accessed Oct 2019

Adopted by Council at its meeting on 19 November 2019 – Resolution No. 267

A handwritten signature in blue ink, appearing to read 'G. A. Alomes'.

General Manager