

FRAUD AND CORRUPTION PREVENTION POLICY



Legislation / local law requirements	<ul style="list-style-type: none">• <i>Public Interest Disclosure Act 2003 (PID Act)</i>• <i>Corruption, Crime and Misconduct Act 2003</i>• <i>Local Government (Financial Management) Regulations 1996</i>• <i>Local Government (Audit) Regulations 1996</i>
Relevant delegations	17.1.1 - Appointment of Public Interest Disclosure Officer
Related policies, procedures and supporting documentation	<ul style="list-style-type: none">• Integrity Framework• Governance Framework• Risk Management Framework• Fraud and Corruption Risk Register• Code of Conduct• Public Interest Disclosure Guidelines• Australian Standard AS 8001:2021 – Fraud and Corruption Control• OAG Better Practice Guide

PRELIMINARY

INTRODUCTION

Fraud and corruption pose significant risks to the integrity and effectiveness of any organisation. These unethical practices can lead to financial losses, damage to reputation, and a decrease in public trust. The City recognises the importance of maintaining a robust framework to prevent, detect, and respond to fraud and corruption. This policy outlines the City's commitment to upholding the highest standards of integrity and ethical behaviour, ensuring that all employees and stakeholders act in accordance with established guidelines and procedures. By implementing comprehensive measures for prevention, reporting, and investigation, the City aims to foster a culture of transparency and accountability.

PURPOSE

The purpose of this policy is to:

- Demonstrate the City's zero tolerance for fraud and corruption in all operations;
- Support the City's Integrity Framework by providing a high-level approach to fraud and corruption prevention, detection, and response;
- Promote ethical behaviour, accountability, and public trust by safeguarding the City's resources and reputation.

OBJECTIVE

The objective of this policy is to:

1. Prevent fraud and corruption by embedding a culture of integrity and ethical behaviour;
2. Detect fraud and corruption through effective risk management and reporting mechanisms;
3. Respond promptly and effectively to suspected or actual incidents of fraud or corruption;
4. Ensure alignment with the City's Integrity Framework, which provides detailed roles, responsibilities, and operational guidance.

SCOPE

This policy applies to:

- All Council Members, employees, contractors, and volunteers;
- All activities, decisions, and services undertaken on behalf of the City.

DEFINITIONS

Fraud: Dishonest activity causing actual or potential gain or loss to any person or organisation, including theft of money or property by persons internal or external to the organisation. Fraud may also involve deception, misrepresentation, or the misuse of position or authority to achieve an unlawful or unfair benefit (Australian Standard AS 8001:2021).

Corruption: Dishonest or unethical activity by a person in a position of trust (e.g., director, employee, contractor) that breaches their duty to act in the best interests of the organisation. This can include abuse of position, conflicts of interest, or collusion to secure a personal or improper advantage (Australian Standard AS 8001:2021).

Fraud and Corruption Control System (FCCS): Framework for controlling the risk of fraud and corruption against or by and organisation.

Integrity Framework: A guiding document that integrates the City's principles, policies, and practices to promote ethical behaviour, accountability, and compliance. It links internal controls, audits, governance systems, and continuous improvement processes to prevent, detect, and respond to misconduct, creating a shared understanding of integrity across the organisation.

Fraud and Corruption Risk Register: A comprehensive tool that identifies and analyses the City's vulnerabilities to fraud and corruption, prioritising high-risk areas, control effectiveness and risk management actions.

Risk Management Framework: Suite of interconnected documents that guide how the City identifies, analyses, treats, and reports on risks

Council Member: a person who is currently serving a term of office as an elected member of the Council in accordance with the Local Government Act 1995.

POLICY PROVISIONS

POLICY

1. Commitment to Integrity

The City is committed to:

- Maintaining robust systems and controls to prevent and detect fraud and corruption;
- Ensuring all employees and stakeholders act in accordance with the Integrity Framework;
- Investigating all allegations of fraud and corruption promptly and confidentially;
- Meeting statutory obligations to report serious misconduct to external oversight bodies where necessary.

2. Fraud and Corruption Prevention

Fraud and corruption prevention will be achieved by:

- Managing risks through the Fraud and Corruption Risk Register and Corporate Risk Register;
- Implementing strong internal controls, including segregation of duties and validation procedures;
- Conducting fraud awareness training to ensure staff and Council Members understand their obligations;
- Encouraging ethical behaviour as outlined in the City's Code of Conduct and Integrity Framework.

3. Reporting and Investigation

- The City will provide confidential and accessible mechanisms for reporting suspected fraud or corruption, as detailed in the Integrity Framework.
- Investigations will be conducted fairly, transparently, and in accordance with legislative requirements.
- The City will take appropriate corrective action, including referral to external agencies such as the Corruption and Crime Commission (CCC) or WA Police, where required.

4. Oversight and Review

- Oversight of fraud and corruption prevention activities will be conducted in alignment with the City's Integrity Framework.
- This policy will be reviewed biennially, or earlier, if necessary, to ensure its continued effectiveness and relevance.

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OFFICE USE ONLY	
Responsible Officer	Please use title only
Initial Council Adoption	DD/MM/YYYY
Previous Title	Applicable if the policy has been renamed
Reviewed / Amended	DD/MM/YYYY
Next Review Date	MM/YYYY