



Fraud and Corruption Control Policy

Version No.	V3.0 24 November 2016
Endorsement	General Manager Corporate Services 4 October 2016 Policy Review Panel 15 December 2016
Authorisation	Council 6 February 2017
Review date	December 2019
Responsible officer	Risk & Performance Manager
Policy owner	Risk & Performance Manager

1. Purpose

Describes how Melton City Council (Council) responds to the threat of, and to actual occurrences of, fraudulent and/or corrupt behaviour.

2. Scope

This policy applies across all of Council.

Persons wishing to report fraudulent or corrupt behaviour, or suspected behaviour, should refer firstly to the Protected Disclosure Procedure, then to this policy and associated procedure.

3. Definitions

Word/Term	Definition
Fraud	Dishonest activity causing actual or potential financial loss to Council including theft of moneys or property and where deception is used at the time, immediately before or immediately following the activity. Includes deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business process, or the improper use of information or position for personal financial benefit. Includes the theft of property belonging to Council by a person/s internal to Council where deception is not used. Fraud is a crime at law.
Corruption	Dishonest activity in which a councillor, employee, volunteer or contractor of Council acts contrary to the interests of Council and abuses his or her position of trust, in order to achieve some personal gain or advantage for him or herself or for another person or entity.

4. Policy

Fraudulent and corrupt behaviour, as well as often being illegal, has significant potential to cause harm to Council: damage to Council's reputation; damage to staff morale; and significant financial losses.

Council will not tolerate fraudulent or corrupt behaviour by any person.

Council is committed to preventing, detecting and responding to fraud and corruption.

4.1 Codes of conduct

Council has an Employee Code of Conduct and a Councillor Code of Conduct which help establish the expectations of Council, and provide benchmarks for appropriate personal behaviours of employees, volunteers and contractors, as well as councillors.

4.2 Policies and procedures

In addition, Council has various policies and procedures that describe risk controls and/or appropriate behaviours where fraud or corruption may be a risk e.g. Gifts and Benefits Procedure, the Purchasing Procedures Manual and Conflict of Interest Guides. Council requires councillors, employees, volunteers and contractors to conform to relevant policies and procedures. Many of these are driven by and/or reflect the requirements contained in the *Local Government Act 1989*.

4.3 Fraud and corruption control procedure

Council develops, implements and reviews a Fraud and Corruption Control Procedure and allocates appropriate resources accordingly. Elements of the procedure include but are not limited to: internal audit; risk assessment; internal controls; fraud and corruption awareness; employment screening; supplier and customer vetting; detection; reporting; investigation; and civil action for recovery of losses. The procedure is general in nature and is kept on the policy intranet.

4.4 Fraud and corruption risk assessments

Council conducts fraud and corruption risk assessments at a service unit level to identify where Council may be exposed to these risks, and how effective existing controls are against those risks. Service units with higher levels of risk are risk-assessed more frequently.

4.5 Fraud and corruption control plan

Council develops, implements and reviews detailed and time-based actions to manage fraud and corruption risks; these may originate in fraud and corruption risk assessments or the Fraud and Corruption Control Procedure. The plan is sensitive in nature and is kept in the Risk & Performance service unit. Council requires councillors and employees to conform to these actions.

4.6 Internal audit

Council maintains an internal audit program, coordinated by Council personnel and conducted by an external company, which regularly examines areas of Council activities in order to detect fraudulent or corrupt behaviour.

4.7 Fraud and Corruption Control Officer

Council appoints a Fraud and Corruption Control Officer (Council's Risk & Performance Manager) with responsibility to manage Council's exposure to these risks.

4.8 Notification

Fraudulent or corrupt behaviour may constitute improper conduct as per the Protected Disclosure Procedure, which is the responsibility of Legal & Governance.

Council requires councillors, employees, volunteers and contractors who become aware of fraudulent or corrupt behaviour, or suspected behaviour, to ensure that the relevant parties as described in the Protected Disclosure Procedure are notified of the behaviour or suspected behaviour as soon as practicable.

4.9 Response

Council responds to allegations of fraud and/or corruption by assessing if the allegations should be referred to the Independent Broad-based Anti-corruption Commission. This applies to serious misconduct, as per the Protected Disclosure Procedure. Where they are not, responsibility for response may return to the Fraud and Corruption Control Officer.

Council responds with actions including but not limited to the following: investigating the allegations; determining as much as practicable the facts of the alleged behaviours; applying as appropriate Council's disciplinary procedures, including termination of employment where applicable; where appropriate escalating the matter to the relevant authorities (e.g. Victoria Police); and where appropriate commencing civil action to recover losses.

5. Responsibility/Accountability

<p>5.1</p>	<p>Executive</p> <ul style="list-style-type: none"> • Maintain and demonstrate high levels of awareness of, and commitment to, fraud and corruption risks and risk controls • Approve the Fraud and Corruption Control Procedure • Endorse the Fraud and Corruption Control Plan • Ensure appropriate resources are provided to implement the procedure and plan • Appoint the Fraud and Corruption Control Officer • Role model appropriate behaviours in regards to fraud and corruption • Make determinations in regards to Council's responses to proven allegations of fraud and/or corruption
<p>5.2</p>	<p>Audit Committee</p> <ul style="list-style-type: none"> • Oversee the internal audit program • Monitor fraud and corruption risk control measures • Approve the Fraud and Corruption Control Plan
<p>5.3</p>	<p>Councillors</p> <ul style="list-style-type: none"> • Conform to Council's policies and procedures regarding fraud and corruption control, including but not limited to the Councillor Code of Conduct
<p>5.4</p>	<p>General Manager Corporate Services</p> <ul style="list-style-type: none"> • Oversee Council's fraud and corruption control program
<p>5.5</p>	<p>Manager, coordinators and other supervisory staff</p> <ul style="list-style-type: none"> • Ensure employees, volunteers and contractors are aware of this policy • Participate in internal audit, fraud and corruption risk assessment activities, awareness raising activities and other relevant elements of the Fraud and Corruption Control Plan • Conform to relevant fraud and corruption risk control measures • Role model appropriate behaviours in regards to fraud and corruption
<p>5.6</p>	<p>People & Culture Manager</p> <ul style="list-style-type: none"> • Advise Executive in regards to appropriate actions(s) regarding staff arising from investigations into alleged fraud and/or corruption
<p>5.7</p>	<p>Legal & Governance Manager</p> <ul style="list-style-type: none"> • Act as Council's Protected Disclosure Coordinator • Coordinate internal audit program
<p>5.8</p>	<p>Fraud and Corruption Control Officer (Risk & Performance Manager)</p> <ul style="list-style-type: none"> • Develop, implement and review Fraud and Corruption Control Procedure and Plan • Coordinate the conduct of investigations
<p>5.9</p>	<p>All employees, volunteers and contractors</p> <ul style="list-style-type: none"> • Participate in fraud and corruption risk assessment activities, awareness raising activities and other relevant elements of the Fraud and Corruption Control Procedure and Plan • Ensure the Protected Disclosure Coordinator is notified of fraudulent or corrupt behaviour, or suspected behaviour, as soon as practicable • Conform to Council's policies and procedures regarding fraud and corruption control, including but not limited to the Employee Code of Conduct.

6. References and links to legislation and other documents

Name	Location
AS8001 – 2008:Fraud and Corruption Control	Risk & Performance
Fraud and Corruption Control Procedure	Policy intranet
Fraud and Corruption Control Plan	Risk & Performance
Employee Code of Conduct	Policy intranet
Councillor Code of Conduct	Policy intranet
Policies and procedures eg. Gifts and Benefits Procedure; Purchasing Manual	Policy intranet
Protected Disclosure Procedure	Policy intranet