

Policy Reference Number	54CP
Responsible Department	Executive Services
Related Policies	Internal Control Whistleblowers
Related Procedures	Nil
Date of Adoption	xx Month xxxx
Revised	xx Month xxxx, xx Month xxxx

1. Purpose

Council recognises that Fraud and Corruption has the potential to cause significant financial and non-financial harm, and that the prevention and control of Fraud and Corruption should feature predominantly within the systems and procedures of a responsible Council.

The purpose of this Policy is to clearly define Council's commitment to preventing fraud and corruption, and to outline the methodology in place to minimise fraud and corruption threats.

2. Introduction

Council has undertaken a series of actions and measures in relation to continuous improvement of corporate and financial governance over recent years, including adoption of the Local Government Financial Sustainability requirements and participation in the Performance Improvement and Good Governance Assessment programs run by the Local Government Association.

This Policy is part of the package of works in relation to Good Governance.

- It is designed to protect public funds and assets as well as the integrity, security and reputation of the Council.
- It outlines Council's approach to the prevention, detection and control of fraudulent and/or corrupt activity and, summarises the associated responsibilities of Elected Members and Employees.

3. Power to Make the Policy

This Policy is made pursuant to Section 132A of the Local Government Act 1999. It is intended to integrate with the requirements under the Whistleblowers Protection Act 1993 and Council's Whistleblowers Policy.

4. Strategic Plan Link

This Policy has the following link to Council's Strategic Plan 2010 -2020:

Leadership (Goal 2)

A Council with strong leadership and excellent service delivery.

5. Principles

Council is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency, which are all key components of good governance.

Council will not tolerate fraudulent or corrupt activity and is committed to control and prevention of such activities by:

- Establishing and maintaining an effective system of internal controls and enforcing compliance with those controls;
- Regularly undertaking and reviewing risk assessments to identify circumstances in which fraud and corruption could potentially occur;
- Implementing fraud and corruption prevention and mitigation strategies in its day to day operations;
- Establishing formal procedures for the investigation of allegations relating to fraudulent and/or corrupt activity;
- Taking appropriate action in response to allegations of fraudulent and/or corrupt activity including, reporting allegations through appropriate channels and where allegations are substantiated, taking disciplinary action in accordance with the Council's Codes of Conduct or other relevant processes;
- Ensuring all Elected Members and Employees are aware of their obligations in regards to the prevention of fraud and corruption within the Council; and
- Fostering an ethical environment in which dishonest and fraudulent behaviour is actively discouraged.

6. Definitions

For the purposes of this Policy the following definitions apply:

An **Appropriate Authority** that receives disclosure of public interest information includes:

- A Minister of the Crown;
- A member of the South Australian Police Force - where the information relates to an illegal activity;
- The Auditor-General – where the information relates to the irregular or unauthorised use of public money;
- The Ombudsman – where the information relates to a public officer;
- A Responsible Officer, where the information relates to a matter falling within the sphere of responsibility of a Local Government body;
- An appointed Officer under Council's Whistleblowers Policy; or
- Any other person¹ to whom, in the circumstances of the case, it is reasonable and appropriate to make the disclosure².

¹ Such a person may include an independent company that offers an anonymous whistleblower call service.

² Where the disclosure relates to fraud and corruption, the Appropriate Authority must pass the information as soon as practicable to the Anti-Corruption Branch of the SA Police.

A person makes an **appropriate disclosure** of public interest information if

- (a) The person-
 - i. Believes on reasonable grounds that the information is true: or
 - ii. Is not in a position to form a belief on reasonable grounds about the truth of the information but believes on reasonable grounds that the information may be true and is of sufficient significance to justify its disclosure so that its truth may be investigated; and
- (b) The disclosure is made to the Appropriate Authority.

Where a person making a disclosure requests to do so under the Whistleblowers Protection Act, the matter will be managed in accordance with Council's Whistleblowers Policy rather than this document.

Corruption is dishonest activity in which a Public Officer acts contrary to the interests of the organisation 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 entity³

Deception means deceiving another person to obtain a benefit or to cause detriment to a person.

Employee means any person who is employed by the Council, but also includes any contractors, volunteers and consultants undertaking work for, or on behalf of the Council.

A **False Disclosure** is a disclosure of information involving actual or suspected fraud or corruption that is made by a person who knows the information to be false or, who is reckless as to whether it is false.

Fraud means dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by a Public Officer and where deception is used at the time, immediately before or immediately following the activity. It can also include 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 Council by a person or persons elected, working or volunteering for Council but where deception is not used is also considered "fraud" for the purposes of this definition.

Maladministration generally includes impropriety or negligence, which may extend to conduct of a serious nature that is:

- Contrary to law; or
- Unreasonable, unjust, oppressive or improperly discriminatory; or
- Based upon improper motives; or
- A result of acting outside the parameters of recommended practice.

³ Adapted from Australian Standard AS8001-2008: Fraud and Corruption Control definitions

Manager means any Employee of the Council who is responsible for the direct supervision of other Employees, and/or, for the management of a Council Department.

Public Officer includes:

- An Elected Member of the Council;
- An Independent Member of the Council's Development Assessment Panel;
- An Independent Member of a Council Committee;
- A member of a Council or regional subsidiary; and
- An Employee of the Council.

A **Responsible Officer** is a person appointed and authorised to receive and act upon information provided by a Whistleblower⁴.

SAPOL means the Anti-Corruption Branch of the South Australian Police Force.

A **Whistleblower** is any person who makes an appropriate disclosure of public interest information.

Waste refers to the waste of public resources (including public money), which occurs as a result of the substantial mismanagement, irregular or, unauthorised use of public resources.

7. Policy

7.1 Scope

This Policy is intended to complement and be implemented in conjunction with other Council policies, including:

- Whistleblower Protection Policy;
- Risk Management and Internal Control Procedures;
- Code of Conduct for Elected Members, Development Assessment Panel Members and Committee Members
- Code of Conduct for Employees; and
- Elected Members Allowances and Support Policy.

This Policy applies to all disclosures that relate to the actual or suspected occurrence of fraud and corruption within the Council by Public Officers.

⁴ The Chief Executive Officer and the Manager Organisational Development are Responsible Officers under the Whistleblowers Protection Act 1993.

7.2 Prevention

Council recognises that:

- The occurrence of fraud and corruption will prevail in an administrative environment where opportunities exist for abuse and maladministration; and
- The most effective way to prevent the occurrence of fraud and corruption is to promote an ethical workplace in which internal control mechanisms have been implemented.

Council expects that Public Officers will assist in preventing fraud and corruption within the Council by:

- Understanding the responsibilities of their position;
- Familiarising themselves with Council's procedures and adhering to them;
- Understanding what behaviour constitutes fraudulent and/or corrupt conduct;
- Maintaining an awareness of the strategies that have been implemented by the Council to minimise fraud and corruption;
- Being continuously vigilant to the potential for fraud and/or corruption to occur; and
- Reporting suspected or actual occurrences of fraud or corruption to either a Responsible Officer or directly to SAPOL.

7.2 Responsibilities

7.2.1 Elected Members are responsible for ensuring that Council:

- Supports the Chief Executive Officer in the implementation of adequate security for the prevention of fraud and corruption including the provision of secure facilities for storage of assets;
- Forwards information relating to the occurrence of fraud or corruption to SAPOL and facilitates cooperation with any SAPOL investigation;

7.2.2 The Chief Executive Officer is responsible for:

- Promoting Council's commitment to the prevention of fraud and corruption to the Community on relevant occasions;
- Providing adequate security for the prevention of fraud and corruption, including the provision of secure facilities for storage of assets and procedures to deter fraudulent or corrupt activity from occurring;
- Providing mechanisms for receiving allegations of fraud or corruption, including ensuring that Responsible Officers and Employees receive appropriate training;

- Ensuring that, where appropriate, allegations that involve fraud or corruption are referred to SAPOL, and that cooperation with any SAPOL investigation is facilitated;
- Promoting a workplace culture and environment in which fraud and corruption is actively discouraged and is readily reported should it occur; and
- Undertaking and reviewing a fraud and corruption risk assessment on a regular basis.

7.2.3 Managers are responsible for:

- The conduct of any Employees whom they supervise and, will be held accountable for such;
- Any property under their control and, will be held accountable for such;
- Reporting any suspected or actual occurrences of fraud or corruption within the Council to a Responsible Officer;
- Creating an environment in which fraud and corruption is discouraged and readily reported by Employees. Such an environment shall be fostered by the Manager's own attitude to fraud and corruption and, by the accountability and integrity they both display and encourage from other Employees;
- Ensuring that new Employees for whom they are responsible are aware of their responsibilities in relation to fraud and corruption and, of the standard of conduct expected from all Employees as outlined in the Code of Conduct for Employees;
- Identifying potential fraud and corruption risks; and
- Leading by example to promote ethical behaviour.

7.2.4 Employees are responsible for:

- Performing their functions and duties with care, diligence, honesty and integrity;
- Conducting themselves in a professional manner at all times;
- Adhering to Council's Policy and Procedures that have been established to prevent fraud or corruption;
- Taking care of Council's property which includes avoiding the waste or misuse of the Council's resources;
- Maintaining and enhancing the reputation of the Council;
- Remaining scrupulous in their use of the Council's information, assets, funds, property, goods or services; and
- Reporting any occurrence of fraud and/or corruption within the Council to a Responsible Officer.

7.3 Fraud and Corruption Risk Assessment

7.3.1 Council's main objective is to minimise the occurrence of fraud and corruption within the Council. This objective can generally be achieved by:

- Identifying Fraud and Corruption Risks;
- Determining strategies to control those risks; and
- Defining responsibility for and, the time frame within which the strategies will be implemented.

7.3.2 Managers must be alert to the potential occurrence of fraud and corruption and factors which may leave the Council vulnerable to fraud and corruption, including:

- Changes to Council delegations and subdelegations;
- Implementation of cost cutting measures;
- Contracting out, outsourcing or services where Council is generating an income;
- The impact of new technology; and
- Changes to risk management practices.

7.4 Reporting and Investigation

7.4.1 Public Officers who are aware of fraudulent or corrupt activity within the Council are required to report this information to a Responsible Officer.

7.4.2 Reports of fraud or corrupt activity received by any person who is not a Responsible Officer, are to be forwarded to a Responsible Officer.

7.4.3 Responsible Officers must report any allegations of fraud or corruption where action may need to be initiated, to the Anti Corruption Branch of the SA Police for investigation. The Responsible Officer will cooperate fully with any request from SAPOL for assistance to progress the matter.

7.4.4 A Responsible Officer (or nominee) will conduct a review into the area in which the fraud or corruption occurred to determine the cause for the breakdown in controls and, will report the findings of the review and recommendations if appropriate to the Audit and Governance Advisory Committee. The Committee may make recommendation to Council in respect to taking action to prevent any reoccurrence of the fraud and/or corrupt activity.

7.4.5 In the event that allegations of fraudulent and/or corrupt activity are substantiated against an :

- Elected Member, the Council will take action in accordance with its statutory responsibilities

- Employee, the Chief Executive Officer will follow relevant disciplinary process provisions in Staff Enterprise Agreements.

7.5 False Disclosure

- 7.5.1 A person who makes a false disclosure, is guilty of an offence pursuant to Section 10 of the Whistleblowers Protection Act 1993.
- 7.5.2 An Employee who makes a false disclosure, in addition to being guilty of an offence, will face disciplinary action that may include instant dismissal.
- 7.5.3 Elected Members who make a false disclosure, in addition to being guilty of an offence, may face disciplinary action pursuant to the Council's Code of Conduct for Elected Members, Development Assessment Panel Members and Committee Members.

7.6 Educating for Awareness

- 7.6.1 The Council recognises that the success and credibility of this Policy will largely depend upon how effectively it is communicated throughout the organisation and beyond.
- Council's initiatives and policies regarding the control and prevention of fraud and corruption will be promoted by Staff on Council's website and at the Council office
 - Staff will make reference to Council's fraud and corruption initiatives in its Annual Report

7.7 Supporting documentation

- 7.7.1 All allegations of fraud and corruption and results of any investigations conducted will be securely maintained in Council's Records Management System.

8. Review & Evaluation

This Policy will be reviewed annually. The Chief Executive Officer will report to Council on the outcome of the review and make recommendations for amendment, alteration or a substitution of a new Policy if considered necessary.

9. Availability of the Policy

This Policy will be available for inspection at Council's principal office during ordinary business hours and at Council's website www.campbelltown.sa.gov.au. Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.